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Report of the Comptroller and Auditor General of India

For the year ended 31 March 2004

Government of Meghalaya



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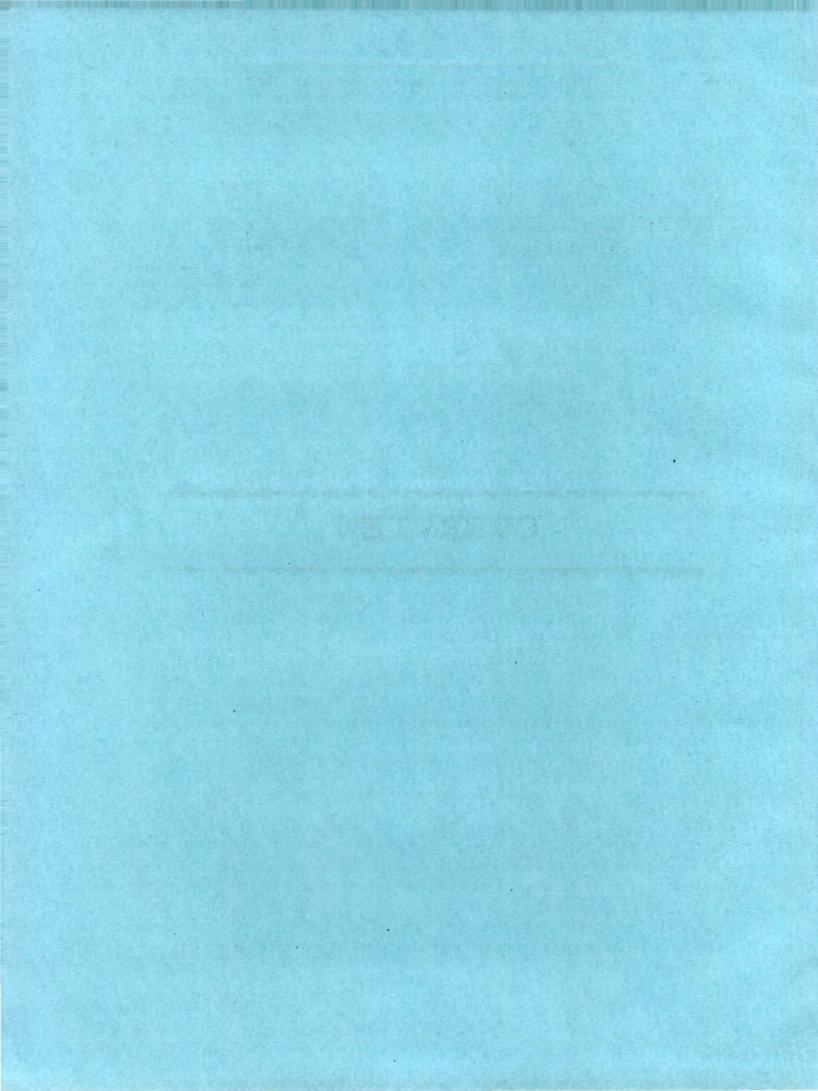
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PREFACE

- 1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
- 2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year 2003-04.
- 3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Public Health Engineering Departments, Revenue Receipts, audit of Government Companies, Statutory Corporations and Internal Control Arrangements.
- 4. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2003-04 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2003-04 have also been included wherever necessary.



OVERVIEW



OVERVIEW

This Report includes three chapters on the Finance Accounts and Appropriation Accounts for the year 2003-04 of the State Government and Internal Control Arrangements in Finance Department and four other chapters, comprising three reviews and 45 paragraphs (including four general paragraphs), based on the audit of certain selected programmes and activities and the financial transactions of the Government. According to existing arrangement, copies of the draft audit paragraphs and draft audit reviews are sent to the concerned Secretary to the State Government by the Principal Accountant General (Audit) with a request to furnish replies within six weeks. The Secretaries are also reminded by the Principal Accountant General. However, despite such efforts, in respect of 18 audit paragraphs and three reviews in this Report, no response was received from the concerned Secretary to the State Government.

A synopsis of the important findings contained in this Report is presented in this overview.

1. Finances of the State Government

The revenue receipts (Rs.1,399 crore) of the State exceeded the revenue expenditure (Rs.1,314 crore) during 2003-04 resulting in a revenue surplus of Rs.85 crore. Overall revenue receipts of the State during the year increased by 8.53 per cent over the previous year as against the trend rate of 10.58 per cent during the five-year period 1999-2004. While 78 per cent of the revenue receipts during 2003-04 have come from central tax transfers and grants-in-aid from Government of India, State's own sources of revenue comprising tax and non-tax sources together contributed around 22 per cent only.

Revenue expenditure of the State increased from Rs.928 crore in 1999-2000 to Rs.1,314 crore in 2003-04, at an average growth rate of 9.69 per cent per annum. The total expenditure in 2003-04 had increased by Rs.153 crore over previous year. On an average 81 per cent of total expenditure during 2003-04 was on current consumption. The expenditure on General Services and interest payments considered as non-developmental, together accounted for 34.03 per cent in 2003-04 as against 29.86 per cent in 1999-2000. On the other hand, development expenditure accounted for 61.65 per cent in 2003-04 as against 64.20 per cent in 1999-2000, indicating a decline in developmental expenditure.

The fiscal deficit increased substantially and averaged Rs.209 crore during 1999-2004. Fiscal liabilities of the State increased from Rs.1,124 crore in

1999-2000 to Rs.1,952 crore in 2003-04 on an average rate of 16.54 per cent during 1999-2004, ratio of fiscal liabilities to Gross State Domestic Product was on the rise and interest spread was declining. The State's low return on investment (less than one per cent) during the last five years indicated an implicit subsidy and use of high cost borrowings for investments which yielded very little. The balance from current revenues of the State also continued to be negative, thereby reducing availability of funds for additional infrastructure support and other revenue generating investment.

(Paragraphs 1.1 to 1.10)

2. Allocative Priorities and Appropriation

During 2003-04, expenditure of Rs.1,837 crore (gross) was incurred against the total Grant and Appropriation of Rs.2,273 crore resulting in a saving of Rs.436 crore (19 per cent). The overall saving was the result of savings of Rs.466 crore in 59 cases of Grants and Appropriations offset by excess of Rs.30 crore in three Grants and two cases of Appropriations. The above excess of Rs.30 crore requires regularisation by the Legislature under Article 205 of the Constitution.

(Paragraphs 2.2 & 2.4)

3. Internal Control Arrangements

Internal control mechanism in the Finance Department had not yet gathered momentum. The internal audit of Government departments by the Examiner of Local Accounts depended mainly upon the desire of the concerned departments indicating lack of independence in the system. There was absence of proper internal control in the department which led to delay in utilisation of funds, obtaining of unnecessary supplementary provisions by various departments and serious deficiency in the control over expenditure.

(Paragraph 7.1)

4. Audit Reviews on Developmental/Welfare Programmes, etc.

(i) Rural Health Services in Meghalaya

The delivery of primary health care is the foundation of rural health care services. In accordance with the National Health Policy, priority was to be given by the State for extension, expansion and consolidation of rural health infrastructure like Health Sub-Centre (HSC), Primary Health Centre (PHC) and Community Health Centre (CHC). Failure of the Health and Family Welfare Department in establishment of even one of the targeted HSC during 1999-2004, which is the basic contact point between the primary health care system and the community, was indicative of the fact that expansion of rural health infrastructure did not get priority in the State. Besides, 25 health centres (HSC: 1; PHC: 19; CHC: 5) could not be made functional despite construction of buildings at a cost of Rs.15.22 crore.

(Paragraph 3.1)

(ii) Working of Public Health Engineering Department

The Public Health Engineering Department is mainly responsible for providing safe drinking water to urban and rural population of the State. There was significant shortfall (26 per cent) in coverage of habitations with drinking water during 1999-2004. Expenditure of Rs.7.38 crore (up to March 2004) incurred by the department on 40 rural water supply schemes had become unproductive, since these schemes remained incomplete for period ranging from one to three years. Besides, Resubelpara Civil Sub-Division complex and enroute villages water supply scheme, scheduled to be completed by March 2000, remained incomplete even after four years despite expenditure of Rs.2.95 crore thereby denying the targeted population of safe drinking water.

(Paragraph 3.2)

(iii) Fund Management

The main sources of funds of the Meghalaya State Electricity Board (Board) are through sale of power, loans/grants from Government, subsidy on rural electrification and borrowings. Review on fund management of the Board revealed the following irregularities:

Failure to revise load security deposit led to a loss of Rs.24.10 crore.

The revenue arrear stood at Rs.207.42 crore at the end of 2002-03 which represented 15.68 months' billing/assessment.

Board failed to avail of rebate amounting to Rs.1.16 crore due to delay in payment of bills of power purchase and instead paid delayed payment surcharge to the tune of Rs.1.68 crore.

Injudicious rebate of Rs.2.01 crore was allowed to EHT consumers.

Rural Electrification subsidy of Rs.106.91 crore awaited realisation from the State Government.

(Paragraph 6.2)

5. Other points of interest

(A) Civil

(i) Unfruitful expenditure

Inaction of the Agriculture Department/Meghalaya State Agricultural Marketing Board in utilisation of the cold storages at Mawiong and Garobadha resulted in unfruitful expenditure of Rs.1.91 crore incurred on their construction, besides loss of revenue to the extent of Rs.1.06 crore.

(Paragraph 4.1)

Failure of the Fisheries Department in taking timely action to improve the productivity of fish in the Kyrdemkulai and Nongmahir reservoirs resulted in unfruitful expenditure of Rs.87.74 lakh.

(Paragraph 4.2)

Execution of work on the extended portion of a road (Mawngap-Mairang Road – Section I) without execution of sub-base and base course resulted in unfruitful expenditure of Rs.36.05 lakh.

(Paragraph 4.4)

(ii) Doubtful execution

Execution of a road (Mawlong to Umtrai – portion from Umbi to Umtrai) by the Shillong North Division at the cost of Rs.44.27 lakh without construction of required hume pipe culverts remained doubtful.

(Paragraph 4.5)

(B) Revenue

Erroneous exemption of excise duty on 18,000 cases of spirit imported for use in manufacture of India Made Foreign Liquor (IMFL) led to loss of revenue of Rs.90 lakh.

(Paragraph 5.2)

Failure of the Department to initiate action for recovery of excise duty on 16,864 cases of IMFL/Beer from two licencees of bond led to loss of revenue of Rs.72.18 lakh.

(Paragraph 5.3)

Failure of the Department to initiate action in accordance with the relevant Act resulted in short realisation of excise duty of Rs.30.75 lakh.

(Paragraph 5.4)

Meghalaya Forest Development Corporation was unauthorisedly allowed to lift timber on part payment of Rs.58.75 lakh against full royalty of Rs.1.60 crore.

(Paragraph 5.7)

Delay in implementing the revised rate of royalty on coal led to short realisation of royalty of Rs.18.56 crore.

(Paragraph 5.11)

Royalty and penalty of Rs.1.51 crore leviable on despatch of excess coal through mineral check gates were not realised.

(Paragraph 5.13)

Failure of the Department to detect unauthorised extraction of limestone by seven firms led to non-realisation of royalty of Rs.1.07 crore inclusive of penalty.

(Paragraph 5.14)

Interest of Rs.7.01 crore due from five dealers could not be recovered due to non-inclusion of up-to-date interest in the requisition sent to the Bakijai Officer.

(Paragraph 5.16)

Failure to detect actual quantity of coal carried in excess of permissible limit led to short realisation of additional security of Rs.3.80 crore.

(Paragraph 5.17)

Thirteen registered dealers concealed turnover and evaded tax of Rs.75.44 lakh besides maximum penalty of Rs.1.13 crore.

(Paragraph 5.18)

Non-completion of assessment in respect of a registered dealer on best judgement basis led to loss of revenue of Rs.57.52 lakh.

(Paragraph 5.19)

Failure to register four coal dealers led to evasion of tax of Rs.48.16 lakh.

(Paragraph 5.20)

Fine of Rs.234.97 crore was not levied by the Enforcement Wing of the Transport Department from 2,48,184 commercial trucks carrying excess load of coal beyond the permissible limit.

(Paragraph 5.28)

(C) Commercial

Irregular sanction of loan to Sick Units

Recovery of loan of Rs.3.50 crore sanctioned by the Meghalaya Industrial Development Corporation Limited to two sick units contrary to Government directives have become doubtful of recovery.

(Paragraph 6.4)

Excess payment

The Meghalaya State Electricity Board made excess payment of Meghalaya Finance Tax amounting to Rs.65.22 lakh due to wrong application of rate.

(Paragraph 6.5)

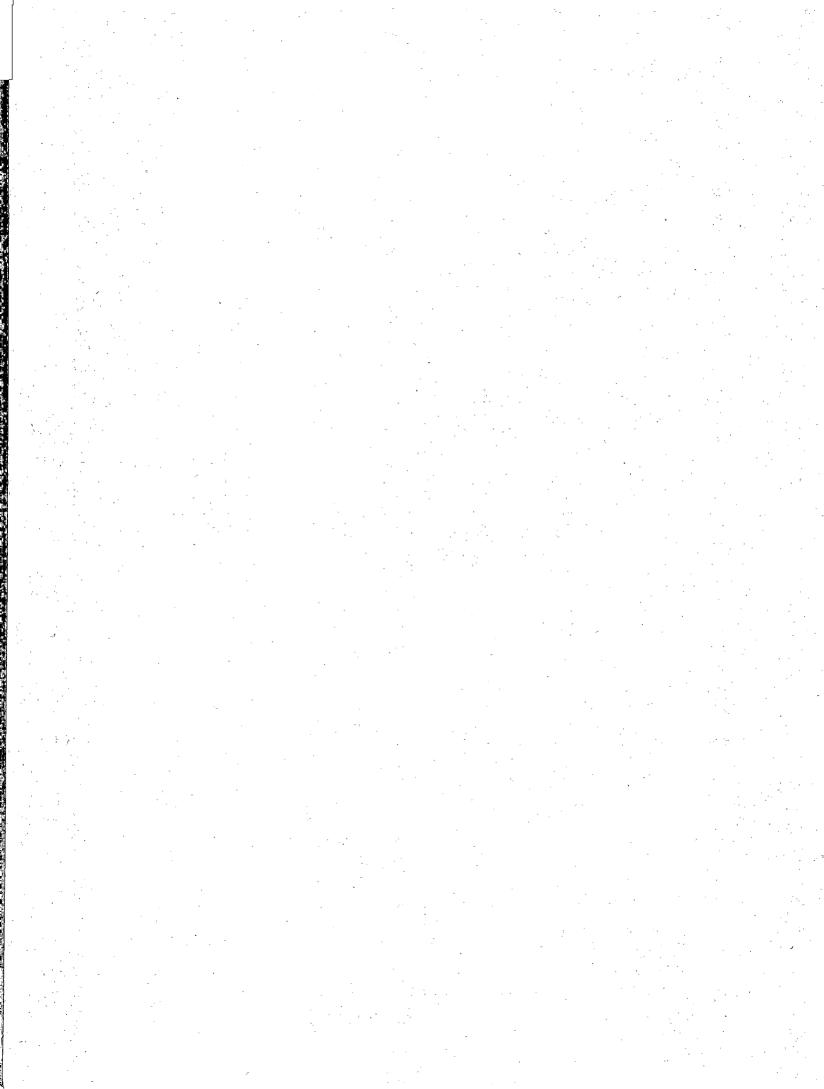
Loss of revenue

The Meghalaya Transport Corporation sustained loss of revenue of Rs.16.84 lakh due to fixation of rent at lower rate; besides, there were unrealised dues amounting to Rs.21.66 lakh.

(Paragraph 6.7)

CHAPTER I

FINANCES OF THE STATE
GOVERNMENT



CHAPTER I: FINANCES OF THE STATE GOVERNMENT

In Summary

Large revenue and fiscal deficits year after year indicated continued macro imbalances in the State. In Meghalaya, though the revenue surplus increased by Rs.1 crore during 2003-04 over previous year, fiscal deficit increased by Rs.40 crore.

Revenue of the State consists mainly of its own tax and non-tax revenue, Central tax transfers and grants-in-aid from Government of India. Overall revenue receipts increased from Rs.944 crore in 1999-2000 to Rs.1,399 crore in 2003-04 at a trend rate of 10.58 per cent. There were, however, significant inter-year variations in the growth rates. During the current year the revenue receipts grew by 8.53 per cent. During 2003-04, State's own resources constituted only 22 per cent of the total revenue receipts. While Central tax transfers had increased by 27.84 per cent, the grants-in-aid from Government of India decreased by 0.91 per cent over the last year.

Total expenditure of the State increased from Rs.1,162 crore in 1999-2000 to Rs.1,619 crore in 2003-04 at a trend rate of 9.42 per cent. The rate of growth of expenditure in 2003-04 was 10.44 per cent which was higher than the trend rate (9.42 per cent) for five years.

Expenditure on General Services and interest payments, which are considered non-developmental, together accounted for over 34 per cent of total expenditure during 2003-04. Interest payments increased steadily by 77 per cent from Rs.96 crore in 1999-2000 to Rs.170 crore in 2003-04. Debt burden (fiscal liabilities) of the State at the end of 2003-04 was Rs.1,952 crore, up by about 7 per cent over the previous year. Though the average rate of interest paid on the borrowings of the State during 1999-2004 remained less than the average rate of growth of GSDP, the interest spread had declined considerably.

The balance from current revenues of the State has continued to be negative, thereby reducing availability of funds for additional infrastructure support and other revenue generating investment.

1.1 Introduction

The Finance Accounts of the Government of Meghalaya are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.1.

Box 1.1 Lay out of Finance Accounts

Statement No. 1 presents the summary of transactions of the State Government - receipts and expenditure, revenue and capital, public debt receipts and disbursements, etc. in the Consolidated Fund, Contingency Fund and Public Account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of current year.

Statement No.3 - Financial results of irrigation works. However, the Government of Meghalaya has not declared any irrigation project as commercial/productive.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government in respect of loans, etc. raised by the statutory corporations, Government companies, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2004.

Statement No. 9 shows the revenue and expenditure under different heads for the current year as a percentage of total revenue/expenditure.

Statement No. 10 indicates the distribution between the charged and voted expenditure incurred during the year.

Statement No. 11 gives the detailed account of revenue receipts by minor heads.

Statement No. 12 provides accounts of revenue expenditure by minor heads under non-plan, State plan and Centrally sponsored schemes separately and capital expenditure major head-wise.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of the current year.

Statement No. 14 shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies, etc. up to the end of the current year.

Statement No. 15 depicts the capital and other expenditure (other than revenue account) to the end of the current year and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.

Statement No. 17 presents the detailed account of debt and other interest bearing obligations of the Government.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Meghalaya, the amount of loans repaid during the year, the balances at the end of the year and the amount of interest received during the year.

Statement No. 19 gives the details of balances of earmarked funds.

1.2 Trend of Finances with reference to previous year

The trend of finances of the State Government during the current year compared to the previous year were as under:

Table 1.1

(Rupees in crore)

		(Mail be	es ill cione)
2002-03	SI:No.	Major Aggregates	2003-04
1289	1.	Revenue Receipts (2+3+4)	1399
145	2.	Tax Revenue	178
93	3.	Non-Tax Revenue	129
1051	4.	Other Receipts	1092
15	5.	Non-Debt Capital Receipts	18
15	6.	Of which Recovery of Loans	18
1304	7.	Total Receipts (1+5)	1417
967	8.	Non-Plan Expenditure (9+11+12)	1037
949	9.	On Revenue Account	1004
151	10.	Of which, Interest payments	170
(a)	11.	On Capital Account	Nil
18	12.	On Loans disbursed	33
499	13.	Plan Expenditure (14+15+16)	582
256	14.	On Revenue Account	310
186	15.	On Capital Account	235
57	16.	On Loans disbursed	37
1466	17.	Total Expenditure (8+13)	1619
-162	18.	Fiscal Deficit (17-1-5)	-202
84	19.	Revenue Surplus (9+14-1)	85
-11	20.	Primary Deficit (18-10)	-32

(Negative figures indicate deficit)

(a) Rs.0.30 crore.

1.3 Summary of Receipts and Disbursements for the year

Table 1.2 summarises the financial position of the State Government of Meghalaya for the year 2003-04 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public account receipts and disbursements made during the year as emerging from Statement 1 of Finance Accounts and other detailed statements.

Table 1.2: Summary of Receipts and Disbursements for the year 2003-04

(Rupees in crore)

2002-03	Receipts	2003-04	2002-03	Disbursements		2003-04		
	Section – A: Revenue							
Non-Plan Plan Total								
1288.93	I. Revenue Receipts	1398.83	1204.55	I. Revenue Expenditure	1003.96	309.73	1313.69	
144.87	Tax revenue(a)	177.68	483.85	General Services	506.40	19.63	526.03	
92.78	Non-tax revenue	128.95	425.89	Social Services	313.85	165.29	479.14	
176.11	Share of Union Taxes/Duties	225.08	294.81	Economic Services	183.71	124.81	308.52	
875.17	Grants-in-aid from Government of India	867.12	•••			•••		
	April 1990	7 7 7	Section -	B: Capital				
	II. Miscellaneous Capital receipts		186.06	II. Capital Outlay		235.30	235.30	
15.43	III. Recovery of Loans and Advances	18.12	74.88	III. Loans and Advances disbursed	-	-	69.80	
295.33	IV. Public Debt Receipts ^(b)	319.21	123.11	IV. Repayment of Public Debt	-	-	151.07	
•••	V. Contingency Fund	•••	•••	V. Contingency Fund		•••	•••	
934.68	VI. Public Account Receipts	874.47	861.37	VI. Public Account Disbursements		• • •	956.50	
43.06	Opening Balance	127.46	127.46	Closing Balance	•••		11.73	
2577.43	Total	2738.09	2577.43	Total			2738.09	

⁽a) Excluding share of net proceeds of taxes and duties assigned to State.

1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statements of the Finance Accounts for the year 2003-04 and wherever necessary, show these in the light of time series data and periodic comparisons. The key indicators adopted for the purpose are (i) Resources by volumes and sources, (ii) Application of resources (iii) Assets and Liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

⁽b) Includes net Ways and Means advances also.

The reporting parameters are depicted in Box 1.2.

Box 1.2 Reporting Parameters

Fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt, and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current prices. The New GSDP series as base as furnished (August 2004) by the Directorate of Economics and Statistics of the State Government have been used.

For most series a trend growth during 1999-2004 has been indicated. The ratios with respect of GSDP have also been depicted. Some of the terms used here are explained in Appendix I.

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account as defined in Box 1.3.

Box 1.3 - State Government Funds and the Public Account

Consolidated Fund	Contingency Fund
All revenues received by the State Government, all loans raised by issue of	Contingency Fund of the State established under Article 267(2) of the Constitution is in nature of an imprest placed at the disposal
treasury bills, internal and external loans and all moneys received by the Government in repayment of loans	of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for
shall form one consolidated fund titled 'The Consoli-	such expenditure and for withdrawal of an equivalent amount from the Consolidated
dated Fund of State' established under Article 266(1) of the Constitution of India.	Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, respect of which Government more as a banker. acts Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public moneys thus received are kept in the Public Account set up under Article 266(2) of the Constitution and the related disbursement are made from it.

Public Account

State finances by key indicators

1.5.1 Resources by volumes and sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise miscellaneous capital receipts like proceeds from disinvestments, recoveries of loans

and advances, debt receipts from internal sources, viz., market loans, borrowings from financial institutions/commercial banks, etc. and loans and advances from Government of India as well as accruals from Public Account.

Table 1.3 shows that the total receipts of the State Government for the year 2003-04 were Rs.2,610 crore. Of these, the revenue receipts of the State Government were Rs.1,399 crore only, constituting 54 per cent of the total receipts. The balance of receipts came from borrowings and public account receipts.

Table 1.3 - Resources of Meghalaya

(Rupees in crore) Revenue Receipts 1.399 II. Capital Receipts 337 (a) Miscellaneous Receipts (b) Recovery of Loans and Advances 18 319 (c) Public Debt Receipts* III. **Contingency Fund Receipts** IV. **Public Account Receipts** 874 (a) Small Savings, Provident Fund, etc. 120 (b) Reserve Fund 10 (c) Deposits and Advances 154 (d) Suspense and Miscellaneous -11 (e) Remittances 601 Total Receipts

(Details in Appendix IV)

1.5.2 Revenue Receipts

Statement 11 of the Finance Accounts details the Revenue Receipts of the Government. Overall revenue receipts, its annual rate of growth, ratio of these receipts to the State's GSDP and its buoyancy is indicated in Table 1.4.

Table 1.4 – Revenue Receipts-Basic Parameters (Values in Rupees crore and others in per cent)

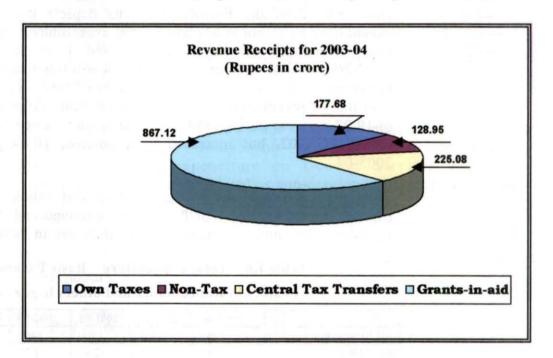
	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Revenue Receipts	944	1132	1123	1289	1399	1177
Own Taxes	10.91	10.51	12.11	11.25	12.72	11.50
Non-Tax Revenue	8.90	7.69	8.37	7.22	9.22	8.28
Central Tax Transfers	36.23	14.49	14.69	13.65	16.08	19.03
Grants-in-aid	43.96	67.31	64.83	67.88	61.98	61.19
Rate of Growth	13.33	19.92	-0.80	14.78	8.53	10.58
Revenue Receipt/GSDP	28.68	30.36	27.13	29.15	28.51	28.73
Revenue Buoyancy	1.116	1.496	(a)	2.170	0.778	0.990
GSDP	3291	3729	4140	4422	4907	4098
GSDP Growth	11.94	13.31	11.02	6.81	10.97	10.68

(a) Rate of growth of revenue receipt was negative.

[&]quot;Included net (Nil) Ways and Means Advances also.

The revenue receipts of the State increased from Rs.944 crore in 1999-2000 to Rs.1,399 crore in 2003-04 at a trend rate of 10.58 per cent. There were, however, significant inter-year variations in the growth rates. The revenue receipts to GSDP ratio after reaching a peak of 30.36 per cent in 2000-01, declined to 28.51 per cent in 2003-04, with the five years average ratio being 28.73 per cent. There was sharp decline in revenue buoyancy to 0.778 during 2003-04 due to a moderate growth in GSDP and decline in the growth of revenue receipts compared to preceding year. Over a five-year period, however, there was a one to one correspondence between rate of growth of GSDP and revenue receipts.

While 78 per cent of the revenue receipts during 2003-04 have come from central tax transfers and grants-in-aid from Government of India, State's own sources of revenue comprising tax and non-tax sources together contributed around 22 per cent only. Sales Tax was the major contributor (62 per cent) of State own tax revenue followed by State Excise (30 per cent). Of non-tax revenue sources, receipts from non-ferrous Mining and Metallurgical Industries (67 per cent) was the principal contributor.



The current levels of cost recovery (revenue receipts as a percentage of revenue expenditure) in supply of merit goods and services by Government are 0.78 per cent for secondary education, 0.85 per cent for medical and public health and 0.62 per cent for water supply and sanitation.

The source of total receipts under different heads during 1999-2004 is indicated in Table 1.5.

Table 1.8 - Revenue Expenditure - Basic Parameters

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Revenue Expenditure (RE) (Rupees in crore)	928	1079	1157	1205	1314	1137
Rate of Growth (per cent)	13.73	16.27	7.23	4.15	9.05	9.69
RE/GSDP	28.20	28.94	27.95	27.25	26.78	27.74
RE as percentage of TE	79.86	77.40	85.07	, 82.20	81.16	81.17
RE as percentage of RR	98.31	95.32	103.03	93.48	93.92	96.53
Buoyancy of Revenue Ex	penditure wit	h (per cent))			
GSDP	1.150	1.223	0.656	0.609	0.825	0.907
Revenue Receipts	1.030	0.817	(a)	0.281	1.060	0.916

⁽a) Rate of growth of revenue receipt was negative.

Overall revenue expenditure of the State increased at a trend rate of 9.69 per cent. Rate of growth of revenue expenditure after reaching a peak of 16.27 per cent in 2000-01 declined to 9.05 per cent in 2003-04. As a result revenue expenditure-GSDP ratio declined from 28.94 per cent in 2000-01 to 26.78 per cent in 2003-04. On an average 81 per cent of the total expenditure was on current consumption.

(i) High salary expenditure

Salaries including grants-in-aid towards salaries accounted for 54 per cent of the revenue receipts and 58 per cent of the revenue expenditure of the State during 2003-04. The expenditure on salaries increased by 45 per cent from Rs.523 crore in 1999-2000 to Rs.759 crore in 2003-04 as indicated in the Table 1.9:

Table 1.9

(Rupees in crore)

Heads	1999-2000	2000-01	2001-02	2002-03	2003-04
Salary expenditure ^(a)	523	567	657	702	759
As a percentage of GSDP	15.89	15.21	15.87	15.88	15.47
As a percentage of Revenue Receipts	55.40	50.09	58.50	54.46	54.25
As a percentage of Revenue Expenditure	56.36	52.55	56.78	58.26	57.76

⁽a) As furnished (August 2004) by the Finance (Economic Affairs) Department, Government of Meghalaya.

(ii) Huge expenditure on payment of pension and other retirement benefits

Payments on pension and other retirement benefits have increased by 90 per cent from Rs.40 crore in 1999-2000 to Rs.76 crore in 2003-04. Year-wise break-up of expenditure incurred on pension payments during the years 1999-2000 to 2003-04 was as under:

Table 1.10 (Rupees in crore)

			`
,	Year	Expenditure	Percentage to total revenue expenditure
	1999-2000	40	4.31
	2000-01	55	5.10
	2001-02	58	5.01
	2002-03	67	5.56
	2003-04	76	5.78

With the increase in number of retirees, the pension liabilities are likely to increase further in future. Information regarding constitution of any fund to meet the fast rising pension liabilities of the retired State employees, though called for (June 2004) from the Finance Department, had not been received (November 2004).

(iii) Interest payments

Expenditure of the State on payment of interest during 1999-2004 and its percentage to revenue receipts and expenditure are indicated in Table 1.11 below:

Table 1.11

Year	Interest payment	Percentage of interest with reference to						
	(Rupees in crore)	Revenue Receipts	Revenue Expenditure					
1999-2000	96	10.16	10.34					
2000-01	114	10.07	10.57					
2001-02	129	11.49	11.15					
2002-03	151	11.71	12.53					
2003-04	170	12.15	12.94					

Interest payments increased steadily by 77 per cent from Rs.96 crore in 1999-2000 to Rs.170 crore in 2003-04. The interest payment was on Internal Debt (Rs.97 crore), loans received from Central Government (Rs.53 crore) and Small Savings, Provident Fund, etc. (Rs.20 crore).

(iv) Subsidies by the Government

Though the finances of the State are under strain, the State Government has been paying subsidies to various sectors. According to the Finance (Economic Affairs) Department, Government of Meghalaya, during the last five years, State Government paid the subsidies as under:

Table 1.12

(Rupees in crore)

			·			
SI. No	Sector	1999-2000	2000-01	2001-02	2002-03	2003-04
1.	Power	9	10	11	11	11
2.	Housing	4	9	8	11	7
3.	Others	8	9	5	11	12
	Total	21	28	24	33	30
Percentage of increase(+)/ decrease(-) over previous year		r (a)	+ 33	-14	+ 37	-9
	entage of subsidy in total nditure	1.92	2.15	1.82	2.37	1.94

(Total expenditure excludes Loans and Advances)

(a) Figures for previous year not available.

During the current year subsidies constituted around 2 per cent of the total expenditure, out of which 37 per cent was paid to the power sector.

1.7 Expenditure by Allocative priorities

The expenditure of the State in the nature of plan expenditure, capital expenditure and development expenditure reflects its quality. Higher the ratio of these components to total expenditure, better is the quality of expenditure. Table 1.13 gives these ratios during 1999-2004, as follows:

Table 1.13 – Quality of Expenditure (per cent to total expenditure)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Total Expenditure (Rupees in crore)	1093	1305	1317	1391	1549	1331
Plan Expenditure	34.22	38.31	32.73	31.78	35.18	34,44
Capital Expenditure	15.10	17.32	12.15	13.37	15.17	14.61
Development Expenditure	68.25	68.66	66.97	64.70	64.43	66.45

(Total Expenditure does not include Loans and Advances)

All the three components of quality of expenditure indicated inter-year variations. In the year 2003-04, the Plan as well as Capital expenditure increased slightly when compared to 1999-2000, but the steep decline in developmental expenditure (expenditure on Economic and Social Services) compared to 1999-2000 is disturbing.

Activity-wise expenditure during 1999-2004 further revealed that the average trend growth of its various components had significant

variations. Interest payments was the fastest growing component with an average annual growth of 18.67 per cent. Loans and advances also grew much faster compared to both GSDP and revenue receipts. Activity-wise trend growth, ratio to GSDP, relative share of the various activities, shift in their relative share and buoyancy with GSDP and revenue receipt are indicated in Table 1.14 below:

Table 1.14 – Activity-wise Expenditure – Basic Parameters (in per cent)

	ROG GSDP		Relative	Share	Buoyancy with			
		Share	Share	Shift	GSDP	Revenue Receipt		
General Services	11.27	7.68	22.40	1.69	1.055	1.066		
Interest Payments	18.67	3.22	9.34	8.45	1.748	1.765		
Social Services	8.83	11.99	35.13	-0.55	0.826	0.834		
Economic Services	5.85	9.59	28.14	-3.27	0.548	0.553		
Loans and Advances	13.64	1.69	4.99	3.85	1.277	1.289		

Out of the developmental expenditure of Rs.998 crore during the year, Social Services (revenue and capital) accounted for 56.41 per cent (Rs.563 crore). Expenditure on general education, health and family welfare and water supply and sanitation constituted 79 per cent of the expenditure on social sector.

Table 1.15 - Social Sector Expenditure

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
General Education	196	221	229	223	242
Health and Family Welfare	75	. 80	92	94	97.
Water Supply and Sanitation	74	91	93	95	106
Total	345	392	414	412	445
As a percentage of expenditure on Social Sector	84.15	80.16	82.63	83.40	79.04

Similarly, the expenditure on Economic Services during 2003-04 (Rs.435 crore) accounted for 43.59 *per cent* of the development expenditure, of which, agriculture and allied services, rural development and transport accounted for 73 *per cent*.

Table 1.16 – Economic Sector Expenditure

(Rupees in crore)

	19	999-2000	2000-01	2001-02	2002-03	2003-04
Agriculture and Allied Activities		101	116	128	. 122	126
Rural Development		41	53	54	61	60
Transport	Γ.	112	128	86	126	132
Total		254	297	268	309	318
As a percentage of expenditure of Economic Sector		75.60	72.79	70.34	76.11	73.10

1.7.1 Financial Assistance to Local Bodies and other Institutions

(i) Extent of assistance

The quantum of assistance (Rs.947 crore) provided by way of grants (Rs.745 crore) and loans (Rs.202 crore) to different local bodies, etc. during the five-year period ending 2003-04 was as follows:

Table 1.17

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
University and Educational Institutions	107	122	128	130	129.
Co-operative Societies	3	2	3	2	2
District Councils	5	-5	5	0.21	. 6
Municipalities	. 1	4	2	2	1
Meghalaya State Electricity Board	13	49	29	56	50
Other Institutions	15	28	27	11	10
Total	144	210	194	201	198
Percentage of increase (+)/ decrease (-) over previous year	+ 25.22	+ 45.83	- 7.62	+ 3.61	- 1.49
Assistance as a percentage of revenue expenditure	15.52	19.46	16.77	16.68	15.07

The total assistance during 2003-04 had grown by 37.5 per cent over 1999-2000, but decreased by 1.49 per cent compared to previous year mainly as a result of decreased assistance to energy sector. The assistance to local bodies, etc. as a percentage of total revenue expenditure had also decreased from 19.46 per cent in 2000-01 to 15.07 per cent in 2003-04.

(ii) Delay in submission of accounts

In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (Act, 1971), Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2003-04 called for in April 2004 from 11 departments^(a) was awaited as of October 2004.

Sericulture and Weaving, Education, Animal Husbandry & Veterinary, Community & Rural Development, Co-operation, Industries, Urban Affairs, Border Areas Development, Economics & Statistics, Information & Public Relation and Mining & Geology Departments.

The audit of accounts of the Meghalaya Khadi and Village Industries Board, Shillong up to 2004-05 was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act, 1971. The Board had not submitted the accounts for the years 2000-01 to 2002-03.

1.7.2 Misappropriation, losses, etc.

Cases of misappropriation, losses, etc. of Government money reported to Audit up to the end of March 2004 on which final action was pending at the end of September 2004 were as under:

Table 1.18

	Numbe	r	Amount (Rupees in lakh)
Cases reported up to the end of March 2003	84		153.31
Cases reported during 2003-04	2		1.28
Total	86		154.59

The year-wise/department-wise break-up of the cases is given in Appendix II.

1.8 Assets and liabilities

1.8.1 Financial position

In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings, etc., owned by Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Appendix III gives an abstract of such liabilities and the assets as on 31 March 2004 compared with the corresponding position on 31 March 2003. While the liabilities in this statement consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. Appendix III shows that while the liabilities grew by 7.05 per cent, the assets increased by 7.54 per cent, mainly as a result of 40.40 per cent increase in investment of earmarked funds over previous year. Appendix IV, V and VI depict the Abstract of Receipts and Disbursements for the year 2003-04, Sources and Application of Funds and Time series data on State Government Finances for the period 1999-2004 respectively.

1.8.2 Investments and returns

As on 31 March 2004, Government had invested Rs.162.89 crore in its Statutory Corporations, Government companies and Co-operative Societies. Government's return on this investment was less than one per cent in the last five years. With an average interest rate of 9.05 per cent being paid by Government on its borrowings, the average annual subsidy amounted to 8.89 per cent and the implicit subsidy during the period 1999-2004 was Rs.6.26 crore.

1999-2000 2000-01 2001-02 2002-03 2003-04 Average Investment during the year 5.50 27.18 14.84 11.93 14.01 10.58. (Rupees in crore) Investment at the 162.89^(a) end of the year 98.36 125.54 140.38 152.32 135.90 (Rupees in crore) Returns 0.60 0.0055 0.11 0.0051 0.18° 0.18 (Rupees in crore) Percentage of 0.003 0.61 0.004 0.08 0.11 0.16 returns Average interest rate paid by 9.05 9.05 8.98 9.00 9.43 8.81 Government (per cent) Difference between interest rates and 8.82 9.046 8.73 8.977 8.89 8.89 return (per cent) Implicit subsidy 0.49 2.46 0.94 1.25 1.30 1.07 (Rupees in crore)

Table 1.19: Return on Investment

1.8.3 Loans and advances by State Government

In addition to investments in Co-operatives, Corporations and Companies, Government has also been providing support in terms of loans and advances to many of these parastatals. Total outstanding balance of such loans and advances as on 31 March 2004 was Rs.471 crore. Interest received on the same varied from 0.12 per cent to 0.19 per cent during 1999-2004 (Table 1.20). Total implicit subsidy during 1999-2004 on such loans was Rs.31 crore.

⁽a) Figures in Chapter VI are provisional.

Table 1.20 – Average interest received on Loans and Advances advanced by the State Government

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Opening Balance	196	256	332	359	419
Amount Advanced during the year	69	89	43	75	70
Amount repaid during the year	9	13	16	15	18
Closing Balance	256	332	359	419	471
Net Addition	60	76	27	60	52
Interest Received	0.42	0.55	0.49	0.46	0.72
Interest received as per cent to Loans advanced	0.19	0.19	0.14	0.12	0.16
Average interest paid by the State (per cent)	9.43	9.05	8.81	8.98	9.05
Difference between interest paid and received (per cent)	9.24	8.86	8.67	8.86	8.89
Implicit Subsidy	6	. 8	4	7	6

1.8.4 Management of cash balances

It is desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) and overdraft from Reserve Bank of India has been put in place. The State has shown improvement in management of cash balances as WMA facilities were used for 44 days during 2003-04 as against 96 days in previous year. As regards overdraft, the State Government has not used this facility during 2003-04.

1.8.5 Undischarged liabilities

(i) Fiscal liabilities - public debt and guarantees

Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits as may from time to time be fixed by the Act of its Legislature. However, no such law has been passed by the State. Table 1.21 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters.

Table 1.21 – Fiscal Liabilities – Basic Parameters (Value in Rupees crore and others in *per cent*)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average				
Fiscal Liabilities ^(a)	1124	1395	1535	1827	1952	1567				
Rate of Growth	23.25	24.11	10.04	19.02	6.84	16.54				
Ratio of Fiscal Liab	Ratio of Fiscal Liabilities to									
GSDP	34.15	37.41	37.08	41.32	39.78	38.23				
Revenue Receipt	119.07	123.23	136.69	141.74	139.53	131.40				
Own Resources	601.07	677.18	667.39	767.65	635.83	665.41				
Buoyancy of Fiscal	Liabilities to					1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
GSDP	1.947	1.812	0.911	2.793	0.624	1.549				
Revenue Receipt	1.744	1.211	(b)	1.287	0.802	1.564				
Own Resources	0.692	2.373	0.861	5.469	0.236	0.922				

⁽b) Revenue receipts had a negative growth.

Overall fiscal liabilities of the State increased from Rs.1,124 crore in 1999-2000 to Rs.1,952 crore in 2003-04 on an average rate of 16.54 per cent during 1999-2004. These liabilities as ratio to GSDP increased from 34.15 per cent in 1999-2000 to 39.78 per cent in 2003-04 and stood at 1.4 times of revenue receipts and 6.36 times of its own resources comprising own tax and non-tax revenue.

In addition to these liabilities, Government have guaranteed loans raised by various Corporations and others which at the end of 2003-04 stood at Rs.300 crore (including interest). The guarantees are in the nature of contingent liabilities. Currently the fiscal liabilities together with the contingent liabilities exceeded 1.6 times the revenue receipts of the State. Buoyancy of the direct fiscal liabilities with respect to GSDP and revenue receipts averaged greater than one per cent indicating that for each one per cent increase in GSDP and revenue receipts, fiscal liabilities were growing at the rate of 1.55 and 1.56 per cent.

Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP. In case of Meghalaya, average interest rate on fiscal liabilities at 9.05 per cent during 1999-2004 was lower than the rate of growth of GSDP by 1.63 per cent as indicated in table 1.22. Except 2002-03, average interest spread was positive during 1999-2004. Moderate interest rates and a fairly buoyant nominal GSDP growth had sustained this positive spread. The spread had declined from a peak of 4.26 per cent in 2000-01 to a nominal 1.97 per cent

⁽a) Includes Internal Debt, Loans and Advances from Government of India, Small Savings, Provident Funds, etc., Deposits and other non-interest bearing obligations.

in 2003-04. Persistence of this phenomenon in later years may endanger debt sustainability.

Table 1.22 - Debt Sustainability - Interest Rate and GSDP Growth (in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Weighted Interest Rate	9.43	9.05	8.81	8.98	9.00	9.05
GSDP Growth	11.94	13.31	11.02	6.81	10.97	10.68
Interest spread	2.51	4.26	2.21	-2.17	1.97	1.63

Another important indicator of the debt sustainability is the net availability of the borrowed funds after repayment of principal and payment of interest. Table 1.23 below gives the position of receipt and repayment of internal debt and other fiscal liabilities of the State over the last five years. The net funds available from the total receipts on account of internal debt, loans and advances from Government of India and other debt receipts (including Public Account) varied between 3.02 and 32.44 per cent during 1999-2003 but no amount was available during 2003-04. Instead, 36.24 per cent of the net available funds from internal debt was totally used up to meet the overwhelming repayment obligation of the loans and advances from the Government of India. Considering that the fiscal liabilities have been increasing year after year, availability of borrowed funds would be reduced further.

Table 1.23 – Net Availability of Borrowed Funds (Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Internal Debt ^(a)						<u> </u>
Receipt	117	110	110	401	287	205
Repayment (Principal + Interest)	62	65	81	343	183	147
Net Fund Available	55	45	29	58	104	58
Net Fund Available (per cent)	47.01	40.91	26.36	14.46	36.24	28.29
Loans and Advances from Gover	nment of Indi	ia		3.5 3.5 2.5		1.5
Receipt	51	31	46	138	83	70
Repayment (Principal + Interest)	55	62	65	156	170	102
Net Fund Available	4	-31	-19	18	87	-32
Net Fund Available (per cent)			•		**************************************	•••
Other obligations ^(b)						
Receipt	193	343	241	329	255	272
Repayment (Principal + Interest)	127	200	239	228	318	222
Total Liabilities		2 <u>2</u>				
Receipt	361	484	397	868	625	547
Payments	244	327	385	727	671	471
Net receipts	117	157	12	141	-46	76
Net Fund Available (per cent)	32.41	32.44	3.02	16.24		13.89

⁽a) Included Ways and Means Advances and Overdrafts.

⁽b) Small Savings, Provident Funds, etc., Deposits and other non-interest bearing obligations.

1.9 Management of deficits

Fiscal imbalances

The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of the deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to its fiscal health. The State had a revenue surplus of Rs.85 crore during 2003-04 but the fiscal deficit, which represents the total borrowings of the Government and the total resource gap, increased from Rs.162 crore in 2002-03 to Rs.202 crore in 2003-04. As proportion to GSDP, fiscal deficit of the State varied significantly during 1999-2004. It reached 4.12 per cent of GSDP in the current year from 3.66 per cent in 2002-03. Some of the parameters of the State's fiscal imbalances are indicated in Table 1.24 below:

Table 1.24 – Fiscal Imbalances – Basic Parameters
(Values in Rupees crore and Ratios in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Revenue Surplus (RS) (+)/ Revenue Deficit (RD) (-)	+ 16	+ 53	-34	+ 84	+ 85	+ 41
Fiscal Deficit (FD)	-209	-249	-221	-162	-202	-209
Primary Deficit (PD)	-113	-135	-92	-11	-32	-77
RD/GSDP	RS		-0.82	RS	RS	RS
FD/GSDP	-6.35	-6.68	-5.34	-3.66	-4.12	-5.09
PD/GSDP	-3.43	-3.62	-2.22	-0.25	-0.65	-1.87
RD/FD	RS		-15.38	R	S	RS

(Negative figures indicate deficit)

1.10 Fiscal ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table 1.25 below presents a summarised position of Government finances over 1999-2004, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

Table 1.25 – Indicators of Fiscal Health (in per cent)

<u> </u>					· · · ·	
Fiscal Indicators	1999-2000	200েশ	2001-02	2002-03	2003-04	Average
I. Resource Mobilisation					* * * *.	
Revenue Receipt (RR)/GSDP	28.68	30.36	27.13	29.15	28.51	28.73
Revenue Buoyancy	1.116	1.496	(a)	2.170	0.778	0.990
Own tax/GSDP	3.130	3.191	3.285	3.279	3.627	3.324
II. Expenditure Management						
Total Expenditure (TE)/GSDP	35.31	37.38	32.85	33.15	32.99	34.17
RR/TE	81.24	81.21	82.57	87.93	86.41	83.87
Revenue Expenditure (RE)/TE	79.86	77.40	85.07	82.20	81.16	81.17
Plan Expenditure/TE	34.22	38.31	32.73	31.78	35.18	34.44
Capital Expenditure/TE	15.10	17.32	12.15	13.37	15.17	14.61
Development Expenditure/TE	68.25	68.66	66.97	64.70	64:43	66.45
Buoyancy of TE with RR	1.340	1.003	(b)	0.527	1.223	0.891
Buoyancy of RE with RR	1.030	0.817	(a)	0,281	1.060	0.916
III. Management of Fiscal Imbal	ances (Negat	ive figures in	dicate defi	cit)		,
Revenue Deficit (Rupees in crore)	16	53	-34	84	85	41
Fiscal Deficit (Rupees in crore)	-209	-249	-221	-162	-202	209
Primary Deficit (Rupees in crore)	-113	-135	-92	-11	-32	-77
Revenue Deficit/Fiscal Deficit	Revenue S	urplus (RS)	-15.38	R	S	RS
IV. Management of Fiscal Liabil	ities	,				
Fiscal Liabilities (FL)/GSDP	34.15	37.41	37.08	41.32	39.78	38.23
FL/RR	119.07	123.23	136.69	141.74	139.53	131.40
Buoyancy of FL with RR	1.744	1.211	(a)	1.287	0.802	1.564
Buoyancy of FL with Own Resources	0.692	2.373	0.861	5.469	0.236	0.922
Interest spread	2.51	4.26	2.21	-2.17	1.97	1.63
Net Funds Available	32.41	32.44	3.02	16.24		13.89
V. Other Fiscal Health Indicate	rs					
Return on Investment	0.61	0.004	0.08	0.003	0.11	0.16
BCR (Rupees in crore)	-167	-115	-171	-128	-143	-145
Financial Assets/Liabilities (Ratio)	1.78	1.65	1.57	1.55	1.55	1.62

⁽a) Revenue Receipts had a negative growth.

The ratio of revenue receipt and State's own taxes to GSDP indicates the adequacy of resources. The buoyancy of revenue receipts indicates the nature of the tax regime and the State's increasing access to resources. Revenue receipts indicate the sum total of the State's access for which there is no direct service provision obligations, recovery of users' charges for the social and economic services provided by it and its entitlement from the Central pool of resources. Ratios of revenue receipt to GSDP showed an erratic trend during 1999-2004. But the revenue buoyancy steeply declined

⁽b) Rate of growth of both revenue receipt and total expenditure was negative.

in 2003-04. A low revenue buoyancy and low own tax-GSDP ratio indicates that State was not optimally exploring its resource base.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resources mobilisation. Revenue expenditure of the State is on the increasing trend over the five-year period 1999-2004 and comprises 81 per cent of total expenditure in 2003-04 leaving very little for capital formation or asset creation. The development expenditure to total expenditure was on a declining trend and its ratio has fallen significantly from a level of 68.66 per cent in 2000-01 to 64.43 per cent in 2003-04. All these indicate inadequate expansion of State's developmental activities.

Increasing revenue and fiscal deficit indicate growing imbalances in the financial position of the State. Similarly, increase in the ratio of revenue deficit and fiscal deficit indicates that the application of borrowed funds has largely been towards meeting current consumption. The State had a revenue surplus over the years (except 2001-02). But its fiscal deficit increased substantially and averaged Rs.209 crore during 1999-2004. Though the average interest paid by the State on its borrowings during 1999-2004 remained less than the rate of growth of its GSDP, the interest spread has declined considerably and persistence of this phenomenon may endanger debt sustainability. There has also been a negative balance during 2003-04 in the net availability of funds from its borrowings due to increased liability for debt servicing. The State's low return on investment indicates an implicit subsidy and use of high cost borrowing for investments, which yield very little. The ratio of the State's total financial assets to liabilities, though remained static during 2002-2004, compared to 1999-2000 it declined by 0.23 per cent indicating that a part of liabilities are without an asset back up. The balance from current revenue (BCR) continued to be negative. The BCR plays a critical role in determining the plan size and a negative BCR adversely affects the same and reduces availability of fund for additional infrastructure support and other revenue generating investment.

1.11 Impact of Government policies

Appendix VII depicts the progress achieved during 2003-04 as compared to 2002-03 in various sectors according to information furnished by Directors, Chief Engineer, *etc.* of various departments of the State Government.

The above matters were referred to Government in November 2004; reply had not been received (January 2005).

CHAPTER II ALLOCATIVE PRIORITIES AND APPROPRIATION



CHAPTER II: ALLOCATIVE PRIORITIES AND APPROPRIATION

Appropriation Accounts at a glance – 2003-04

The summarised position of original and supplementary grants/appropriations and expenditure thereagainst is given below:

Appropriation Accounts : Government of Meghalaya

Total Number of Grants/ : 63 (58 Grants; 5 Appropriations)

Appropriations

Total provision and actual expenditure

Table 2.1

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	2108.09		1836.82
Supplementary	164.74		1830.82
Total Gross provision	2272.83	Total Gross expenditure	1836.82
Deduct – Estimated		Deduct - Actual recoveries in	
recoveries in reduction of		reduction of expenditure	15.97
expenditure			
Total Net Provision	2272.83	Total Net Expenditure	1820.85

Voted and Charged provision and expenditure

Table 2.2

(Rupees in crore)

	Pro	vision	Expenditure		
	Voted	Charged	Voted	Charged	
Revenue	1432.23	193.38	1150.38	179.28	
Capital ^(a)	455.95	191.27	305.10	202.06	
Total: Gross	1888.18	384.65	1455.48	381.34	
Deduct - Recoveries in reduction	n		15.97	•••	
of expenditure					
Total: Net	1888.18	384.65	1439.51	381.34	

⁽a) Included Loans and Advances and Public Debt.

Appropriation and Control Over Expenditure

2.1 Introduction

In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are made by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Bill passed by the State Legislature contains the authority to appropriate certain sums from the Consolidated Fund of the State for specified services. Subsequently, supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

The Appropriation Act includes the expenditure which has been voted by the Legislature on various grants in terms of Articles 204 and 205 of the Constitution of India and also the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by Government *vis-a-vis* those authorised by the Appropriation Act.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure, excess and savings during 2003-04 against the grants/appropriations was as follows:

Table 2.3

(Rupees in crore)

	Nature of expenditure	Original grant/ appro- priation	Supplemen- tary grant/ appropria- tion	Total	Actual expen- diture	Saving (-) Excess (+)
Voted	I. Revenue	1392.69	39.54	1432.23	1150.38	(-) 281.85
	II. Capital	289.44	40.74	330.18	235.30	(-) 94.88
	III. Loans and Advances	125.27	0.50	125.77	69.80	(-) 55.97
To	otal Voted	1807.40	80.78	1888.18	1455.48	(-) 432.70
Charged	IV. Revenue	193.30	0.08	193.38	179.28	(-) 14.10
	V. Capital		0.24	0.24		(-) 0.24
· ·	VI. Public Debt	107.39	83.64	191.03	202.06	(+) 11.03
Tot	al Charged	300.69	83.96	384.65	381.34	(-) 3.31
Appropria gency Fur	ation to Contin- nd (if any)	•••		•••	•••	•••
Gı	rand Total	2108.09	164.74	2272.83	1836.82	(-) 436.01

2.3 Excess over provision relating to previous years requiring regularisation

According to Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.624.28 crore for the years 1971-72 to 2002-03 was yet to be regularised. The details are as under:

Table 2.4

(Rupees in crore)

. Year	Number of grant/appro- priation	Grant(s)/Appropriation(s)	Amount of excess
1971-72	4	64,79,80,88	0.08
1972-73	3/1	12,16,71/ Interest on Debt and other	0.26
		obligations	
1973-74	-3	10,30,64	0.01
1974-75	4	13,15,29,54	0.05
1975-76	3/2	13,29,82/Governor, Public Works	0.07
1976-77	4/1	29,32,54,62/Interest Payment	0.10
1977-78	3/1	7,13,54/Governor	0.07

Year	Number of	Grant(s)/Appropriation(s)	Amount
	grant/appro-		of excess
1070 70	priation	2.00	0.05
1978-79	2	3,22	0.05
1979-80	2	13,22	0.03
1980-81	4/1	13,20,30,39/Governor	0.09
1981-82	7/1	13,14,20,28,31,34,37/Governor	0.37
1982-83	15/2	3,5,14,16,19,20,22,24,26,27,28,31,	8.66
		37,46,55/Governor, Administration of Justice	
1983-84	14/1	3,8,9,16,19,24,27,28,31,37,40,45,46,56/Public Service	7.74
		Commission	
1984-85	13	9,10,18,20,22,24,25,27,30,43,58,59,64	8.89
1985-86	11/2	7,8,17,18,24,27,29,37,38,58,64/ Administration of	5.88
		Justice, Loans and Advances from Central	
		Government	
1986-87	10	7,8,9,24,25,27,29,39,55,56	0.95
1987-88	12/1	1,11,13,16,20,24,28,36,38,48,54,57/ Public Service	3.06
		Commission	
1988-89	10/1	9,15,16,20,24,36,44,45,54,57/ Public Service	1.52
		Commission	
1989-90	12/2	8,11,16,22,24,29,36,41,44,45,48,54/ Police, Roads	6.37
		and Bridges	
1990-91	11	9,16,18,24,26,28,36,37,53,54,58	3.21
1991-92	14	5,7,8,9,16,18,24,26,30,33,36,54,57, 61	3.88
1992-93	13/2	5,7,8,9,13,16,20,24,26,33,49,54,57/ Internal Debt of	34.31
		State Government, Governor	
1993-94	9/3	6,8,20,24,26,27,40,53,56/ Internal Debt of State	264.26
		Government, Loans and Advances, Public Service	
		Commission	
1994-95	4/3	20,24,53,60/Interest Payment, Public Service	183.34
		Commission, Internal Debt	
1995-96	7/3	1,14,24,27,47,53,56/Parliament/ State/Union Territory	12.71
		Legislature, Police, Water Supply and Sanitation	
1996-97	16/2	1,3,5,7,9,14,16,20,21,22,24,29,36,41,53,56/Governor,	9.83
		Administration of Justice	
1997-98	12/1	1,6,7,8,9,15,16,18,20,24,25,56/ Governor	8.10
41998-99	5	1,2,6,11 and 24	22.82
1999-2000	3/1	9,16,18/Governor	2.65
2000-01	4/3	1, 16, 40, 56/1, 2, 4	11.06
2001-02	3/2	1,18,35/1,2	1.76
2002-03	4/3	11, 26, 35, 56/1, Internal Debt of the State	22.10
		Government, Loans & Advances from Central	
Part Salar	latylite i And	Government	
			624.28

2.4 Results of Appropriation Audit

- 2.4.1 The overall saving of Rs.436.01 crore was the result of saving of Rs.466.19 crore in 59 cases of Grants and Appropriations offset by excess of Rs.30.18 crore in three Grants and two cases of Appropriations.
- 2.4.2 Supplementary provision made during the year constituted 7.81 per cent of the original provision as against 16.08 per cent in the previous year.

2.5 Fulfilment of Allocative Priorities

2.5.1 Appropriation by Allocative Priorities

Out of overall savings of Rs.436.01 crore, major savings of Rs.345.08 crore (79 per cent) occurred in nine cases of Grants and one Appropriation as mentioned below:

Table 2.5 (Rupees in crore)

SI.	Number and name of		Grant		Actual	Saving					
No.	Grant/Appropriation	Original	Supple-	Total	expend-						
			mentary		iture	t.					
1.	11 - Other Taxes and Duties on Commodities, etc. (Capital - Voted)										
1.	-5 to 10 to	97.50		97.50	50.15	47.35					
2.	13 - Secretariat General Services, etc. (Revenue - Voted)										
		34.22	0.20	34.42	26.15	8.27					
3.	21 - Miscellaneous General Services, etc. (Revenue - Voted)										
		416.88	5.93	422.81	268.08	154.73					
4.	27 - Water Supply and Sanit	ation, etc. (C	Capital – Vo		*.						
		88.92	•••	88.92	60.04	28.88					
5.	29 - Housing, Urban Development, etc. (Capital - Voted)										
J.		17.10	0.50	17.60	0.58	17.02					
6.	40 - North Eastern Areas, etc. (Revenue - Voted)										
0.	<u></u>	31.37	0.10	31.47_	1.33	30.14					
7.	40 – North Eastern Areas, etc. (Capital – Voted)										
, ,		42.10	0.32	42.42	13.78	28.64					
8.	43 - Housing, Crop Husband		enue – Vote								
J.	the state of the s	57.47		57.47	47.94	9.53					
9.	50 - Forestry and Wildlife, et			<u> </u>	,	- 4					
		31.49	4.37	35.86	28.11	7.75					
10.	Appropriation – Interest Payment (Revenue – Charged)										
		182.80	, , , , , , , , , , , , , , , , , , , ,	182.80	170.03	12.77					
		Total,				345.08					

Areas in which major savings occurred in these ten Grants/Appropriation are given in Appendix VIII.

2.5.2 Unnecessary/Excessive/Insufficient Supplementary Provision

- (a) Supplementary provision of Rs.27.90 crore made in 24 cases during the year proved unnecessary in view of aggregate saving of Rs.292.81 crore as detailed in Appendix IX.
- (b) In nine cases, against additional requirement of Rs.19.64 crore, supplementary grants of Rs.33.49 crore were obtained resulting in saving in each case exceeding Rs.10 lakh, aggregating Rs.13.85 crore. Details of these cases are given in Appendix X.
- (c) In three cases, supplementary provision of Rs.100.75 crore proved insufficient leaving an uncovered excess expenditure of Rs.29.67 crore as per details given in Appendix XI.
- (d) In 31 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 *per cent* of the total provision as indicated in Appendix XII.

2.5.3 Persistent savings

In 22 cases there were persistent savings in excess of Rs.10 lakh in each case and 20 per cent or more of the provision. Details are given in Appendix XIII.

2.5.4 Excess requiring regularisation

The excess of Rs.30.18 crore under three Grants and two Appropriations requires regularisation under Article 205 of the Constitution. Details of these are given in Appendix XIV.

2.5.5 Excessive/unnecessary/injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a Grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious re-appropriation of funds resulted in excess/savings by over Rs.10 lakh are given in Appendix XV.

2.5.6 Expenditure without provision

As envisaged in the budget manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was noticed that expenditure of Rs.15.64 crore was incurred in 12 cases (expenditure exceeding Rs.10 lakh in each case), as detailed in Appendix XVI without provision having been made in original estimates/supplementary demands and without any re-appropriation orders.

2.5.7 Anticipated savings not surrendered

According to rules framed by Government, the spending departments are required to surrender funds to the Finance Department as and when savings are anticipated. At the close of the year 2003-04 there were 49 Grants/Appropriations in which large savings had not been surrendered by the departments. The amount involved was Rs.310.48 crore. Details are given in Appendix XVII. The amount of available savings of Rs.1 crore and above in each case not surrendered aggregated Rs.299.05 crore in 17 cases.

2.5.8 Non-receipt of explanations for savings/excesses

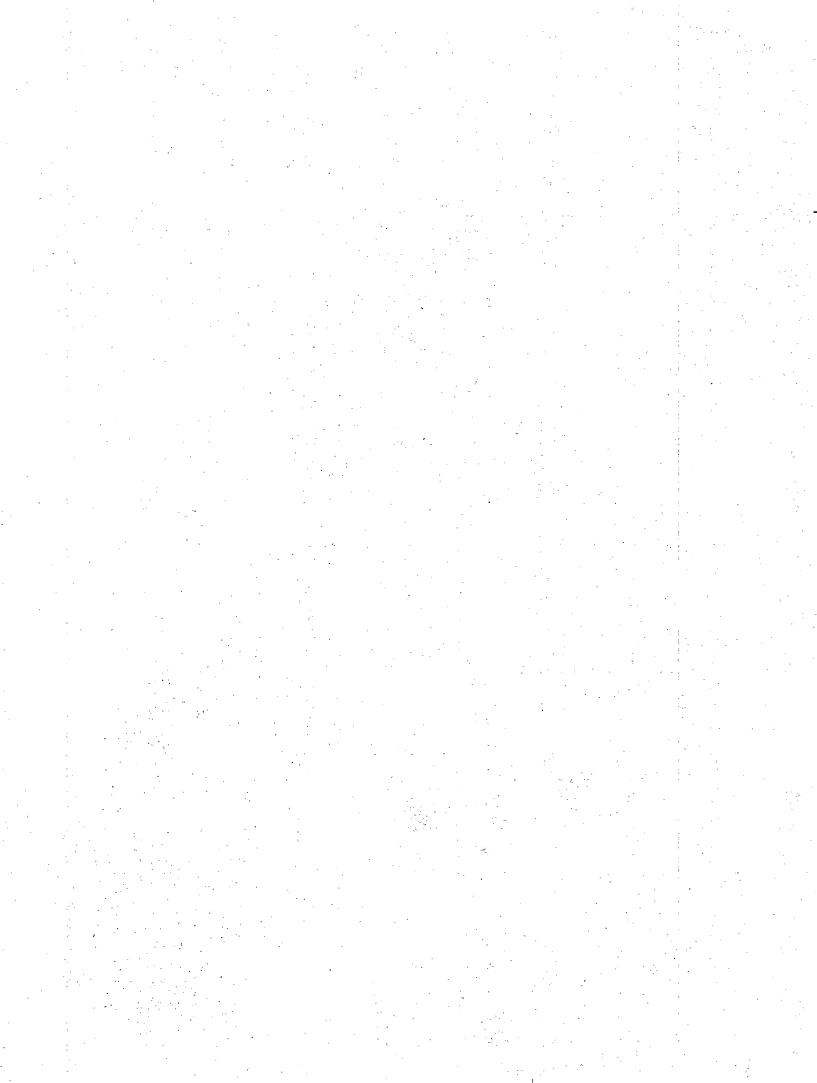
For the year 2003-04, explanations for final savings/excesses were not received in respect of 104 major heads of account out of 106.

2.5.9 Unreconciled expenditure

Financial Rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General. 57 heads of account (48 Controlling Officers) involving Rs.667.97 crore pertaining to 2003-04 remained unreconciled.

2.5.10 Rush of expenditure

The financial rules require that Government expenditure be evenly phased out throughout the year as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. The expenditure during the 4th quarter and in the month of March compared to the total expenditure ranged between 10 and 62 per cent in respect of 10 illustrative major heads of account as indicated in Appendix XVIII.



CHAPTER III

PERFORMANCE REVIEWS

- 3.1 Rural Health Services in Meghalaya
- 3.2 Working of Public Health Engineering Department

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CHAPTER III: PERFORMANCE REVIEWS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Rural Health Services in Meghalaya

Highlights

The delivery of primary health care is the foundation of rural health care services. In accordance with the National Health Policy, priority was to be given by the State for extension, expansion and consolidation of rural health infrastructure. Failure of the department in establishment of even one Health Sub-Centre (HSC) during 1999-2004, which is the basic contact point between the primary health care system and the community, was indicative of the fact that expansion of rural health infrastructure did not get priority in the State.

There are only 408 HSCs against the requirement of 618 HSCs in the State.

(Paragraph 3.1.6)

Twenty-five health centres (HSC: 1; Public Health Centre: 19; Community Health Centre (CHC): 5) could not be made functional despite construction (September 1993 to August 2002) of buildings at a cost of Rs.15.22 crore. Hospital equipment and furniture worth Rs.1.62 crore purchased between March 1997 and March 2003 for 21 health centres were lying unutilised.

(Paragraph 3.1.8)

Patients of the rural areas were deprived of the benefit of better health care services due to the X-ray machines in 12 CHCs not working despite expenditure of Rs.93 lakh incurred on purchase of these machines.

(Paragraph 3.1.9)

Nine ambulances purchased at a cost of Rs.37.05 lakh were not allotted to the rural health centres. Consequently, mobile facility was denied to the targeted populace.

(Paragraph 3.1.10)

District Medical and Health Officers of seven districts incurred extra expenditure of Rs.28.30 lakh on purchase of medicines at higher rates.

(Paragraph 3.1.11)

3.1.1 Introduction

The delivery of primary health care is the foundation of rural health care system and forms an integral part of the national health care system. In accordance with the National Health Policy which called for 'Health for All by 2000 AD', priority was given in the State for extension, expansion and consolidation of rural health infrastructure like Health Sub-Centre (HSC), Primary Health Centre (PHC) and Community Health Centre (CHC).

The three tier health implementation programming was based on rural population norms. According to Government of India's norms, in hilly and tribal areas, HSC was to be established for every 3,000 population, PHC for 20,000 and CHC for 80,000 population. Each PHC with four to six beds and a medical officer was to serve as a referral institution for six HSCs. Similarly, each CHC with 30 beds and four medical specialists and other ancillary staff was to serve as a referral institution for four PHCs.

3.1.2 Organisational set up

The Director of Health Services, Medical Institutes (DHS, MI) is the overall in-charge of rural health services. The District Medical and Health Officers (DM&HO) supervise the implementation of rural health services through HSC, PHC and CHC at district level.

3.1.3 Audit coverage

Review on the activities of rural health services in the State during 1993-94 to 1996-97 was included as Paragraph 3.13.6 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 relating to Government of Meghalaya.

Activities of rural health services in the State during 1999-2000 to 2003-04 were reviewed in audit through test-check (April – July 2004) of records of the DHS (MI) and DM&HOs of three districts, viz., East Khasi Hills, Jaintia Hills and West Garo Hills, out of seven districts covering 31 per cent (Rs.57.47 crore) of the total expenditure of Rs.184.06 crore during the period. Results of the review are discussed in the succeeding paragraphs.

3.1.4 Financial management

The budget provision *vis-à-vis* expenditure for the five year period ending March 2004 were as under:

Table 3.1

(Rupees in crore)

Year	Budget provision (Final grant)		Expenditu accounts Accountan (Accounts &	s of the t General	Savings (-)/ Excess (+) with reference to columns 2 & 4 and 3 & 5 (Percentage)		
	Revenue Capital			Revenue Capital		- Capital	
(1)	(2)	, (3)	(4)	(5)	(6)	(7)	
1999- 2000	26.43	10.42	25.68	10.33	(-) 0.75 (3)	(-) 0.09 (0.86)	
2000-01	30.71	8.35	27.05	8.49	(-) 3.66 (12)	(+) 0.14 (2)	
2001-02	33.17	7.00	29.26	7.83	(-) 3.91 (12)	(+) 0.83 (12)	
2002-03	34.05	7.10	30.72	5.86	(-) 3.33 (10)	(-) 1.24 (17)	
2003-04	34.00	5.68	33.13	5.71	(-) 0.87 (3)	(+) 0.03 (0.53)	
Total	158.36 38.55		145.84 38.22				

Source: Appropriation and Finance Accounts.

The following shortcomings were noticed:

- (i) Of the total expenditure of Rs.184.06 crore during 1999-2004, only Rs.38.22 crore (21 *per cent*) was capital expenditure. The decrease in capital expenditure over the five year period indicated slow pace of infrastructure development under the scheme.
- (ii) Against Rs.145.84 crore and Rs.38.22 crore reflected in the accounts of the Accountant General (Accounts & Entitlement) as expenditure under revenue and capital respectively under rural health services during 1999-2004, the corresponding figures according to the department were Rs.153.79 crore and Rs.38.24 crore. This was because no reconciliation of expenditure was carried out by the DHS (MI) with the Accountant General (Accounts & Entitlement).

Implementation

3.1.5 Establishment of rural health centres - Target and achievement

The achievements *vis-a-vis* targets in the establishment of HSC, PHC and CHC during five years ending March 2004 were as under:

Table 3.2

	4 HSC	PHC (in number)	СНС
Target during 1999-2004	121	. 30	46
Achievement during the period	Nil	2	4
Shortfall	121	28	42
Percentage of shortfall	100	93	91

Source: Information furnished by the DHS (MI).

The above table shows that during 1999-2004 the department failed to establish even one of the targeted HSC which is the basic contact point between the primary health care system and the community. The achievement in establishment of PHC and CHC during the period was also nominal (seven and nine *per cent*). According to the DHS (MI) (October 2004) the shortfall was due to lack of water supply, electricity and manpower. The fact remains that expansion of rural health infrastructure did not get priority in the State.

3.1.6 Coverage of rural population

District-wise rural population and the number of HSC, PHC and CHC functioning in the State as of March 2004 are shown in Appendix XIX.

This shows significant shortfall in coverage of rural population by health care services in different districts, which ranged between 8 and 63 per cent. The overall position of the State shows shortfall in opening of HSCs inasmuch as against the requirement of 618 HSCs for 18.54 lakh rural population, actual number of functional HSCs as of March 2004 was 408. Against the ratio of 6:1 in the establishment of HSC to PHC as prescribed by Government of India, the actual ratio was 4:1, as there were only 408 HSCs and 94 PHCs in the State as against the requirement of 618 HSCs.

The position of PHCs and CHCs functioning in different districts was also lopsided. While in five districts, eight PHCs and four CHCs were functioning

in excess of norm fixed by Government of India, in an even number of districts, there was shortfall of seven PHCs and five CHCs^(a).

3.1.7 Poor outturn of patients

The PHCs and CHCs were established to provide health care facilities to both indoor and outdoor patients. The position of indoor patients admitted in the PHCs/CHCs of three test-checked districts during 1999-2004 is as under:

Table 3.3

District	Health centre	Functional PHCs/CHCs as of March 2004	Number of PHC/CHC where indoor patients admitted during 1999-2004	Minimum beds in the PHCs/CHCs mentioned under column 4 during a year as per norms	Average number of patients admitted during a year (Percentage)	Shortfall with reference to column 5 (Percentage)	Number of PHC/CHC where no patient was admitted during 1999-2004
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
East Khasi	PHC	19	8 ,	11,680	142 (1)	11,538 (99)	11
Hills	СНС	2	2	21,900	823 (4)	21,077 (96)	•••
West Garo	PHC	18	12	17,520	2,106 (12)	15,414 (88)	6
Hills	CHC	5	5	54,750	3,479 (6)	51,271 (94)	` •••
Jaintia	PHC	17	1	1,460	164 (11)	1,296 (89)	16
Hills	CHC	4	2	21,900	1,225 (6)	20,675 (94)	2

Source: Information furnished by the concerned DM&HOs.

The table above shows significant shortfall in treatment of indoor patients in the PHCs/CHCs. While in 21 PHCs, the average indoor patients ranged between 1 and 12 per cent in a year, in nine CHCs the percentage ranged between 4 and 6. In the remaining functional PHCs (33) and CHCs (two), not a single patient was admitted during 1999-2004.

According to the DM&HOs of the concerned districts inadequate staffing pattern, shortage of doctors, inadequate supply of water, power, *etc.* were the reasons for poor outturn of indoor patients. This indicated that the department failed to provide basic infrastructure to the PHCs/CHCs thereby depriving the rural population of the benefit of indoor treatment facilities despite expenditure of Rs.31.22 lakh incurred on procurement of hospital furniture,

⁽a) Excess: PHC – Jaintia Hills: 3; East Garo Hills: 3; South Garo Hills: 2.

CHC - West Khasi Hills: 1; Ri-Bhoi: 2; Jaintia Hills: 1.

Shortfall: PHC – Ri-Bhoi: 1; West Khasi Hills: 1; West Garo Hills: 5.

CHC - East Khasi Hills: 3; East Garo Hills: 1; West Garo Hills: 1.

bed sheet, bed cover, etc. for the 33 PHCs and two CHCs where no patients were admitted.

The outturn of outdoor patients was also not encouraging because in eight PHCs of two test-checked districts^(b), the number of outdoor patients on an average was even less than 20 a day during 1999-2004 (considering 310 days per annum).

3.1.8 Unfruitful expenditure on construction of health centres

From the details furnished by the DHS (MI) and the DM&HO, West Garo Hills it was noticed that as of March 2004, 32 health centres (PHC: 22; CHC: 6; HSC: 4) were not functioning in the State. Of this, 25 centres (PHC: 19; CHC: 5; HSC: 1) remained inoperative even after one to 10 years of construction of buildings for the centres (between September 1993 and August 2002) at a cost of Rs.15.22 crore (details in Appendix XX). For the remaining seven centres (PHC: 3; CHC: 1; HSC: 3), either the date of completion of construction of the buildings or the expenditure incurred on construction had not been furnished.

Audit scrutiny further revealed the following:

- (i) Between March 1997 and March 2003, the DHS (MI) purchased hospital equipment and furniture valued at Rs.1.62 crore for use in 21 non-functional PHCs (15) and CHCs (six). Consequently, these articles were lying unutilised in the stores of the concerned DM&HOs. Thus, purchase of these articles far in advance of actual requirement not only resulted in idle investment of Rs.1.62 crore but was also fraught with the risk of damage/deterioration due to prolonged storage.
- (ii) In three of the non-functional PHCs, para-medical and other staff were posted by the DHS during January 2001 to May 2003. Since the PHCs were not functioning, the staff remained idle resulting in wasteful expenditure of Rs.12.27 lakh incurred on payment of their basic pay alone till March 2004. Reasons for unnecessary deployment of staff were not on record. Information regarding posting of staff in the remaining 29 health centres had not been furnished (November 2004).

The DHS (MI) stated (June 2004) that the health centres could not be made functional because of shortage of funds and manpower. The fact remains that failure in utilisation of the buildings not only resulted in unfruitful expenditure of Rs.15.22 crore but also deprived at least 7.83 lakh of rural population of the benefit of health care services.

⁽b) Jaintia Hills and West Garo Hills.

3.1.9 Unproductive expenditure on purchase of X-ray machines

Between August 1998 and March 2000, the DHS (MI) purchased 18 X-ray machines at a cost of Rs.1.40 crore for 18 CHCs. Out of this, 12 machines (cost: Rs.93 lakh) could not be made functional even after four to five years (March 2004). Although a mention in this regard was made in Paragraph 3.7 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002 relating to Government of Meghalaya, no effective steps had yet been taken by the department for utilisation of the machines.

Thus, failure of the DHS to make the machines functional in 12 CHCs, deprived patients of the rural areas of the benefit of better health care services despite expenditure of Rs.93 lakh.

3.1.10 Irregular allotment/retention of ambulance

To provide basic mobile facility to the rural health centres, the DHS (MI) purchased (between July 2001 and August 2002) 36 ambulances at a cost of Rs.1.49 crore. Of this, nine ambulances were either retained by the DHS (MI) or allotted to non-entitled agencies^(c) instead of allotting the same to the concerned PHCs/CHCs. Consequently, the mobile facility was denied to the targeted populace despite expenditure of Rs.37.05 lakh incurred on purchase of these nine ambulances. Reasons for irregular retention/allotment of ambulances were not on record.

3.1.11 Extra expenditure on procurement of medicines at higher rates

According to the instructions (July 2001) of the DHS (MI), medicines were to be procured on the basis of the lowest rates from the manufacturers approved (July 2001) by the State Purchase Board.

Between 2001-02 and 2003-04, the DM&HOs of seven districts incurred expenditure of Rs.61.13 lakh on purchase of various medicines^(d) despite availability of medicines having same composition with other approved manufacturers at much lower rates (total cost: Rs.32.83 lakh). This led to an extra expenditure of Rs.28.30 lakh. Reasons for purchase of medicines at higher rates in contravention of the instruction of the DHS (MI) were not on record.

One retained by the DHS (MI), one each allotted to Civil Hospitals, Jowai and Tura, School Health Services, Shillong, former Minister, Health & Family Welfare, DM&HOs of West Garo Hills, Jaintia Hills and two to the DM&HO, Shillong.

Gesic tablets, Tribid tablets, Uronor TZ tablets, Uronor 400 mg tablets, Cumox, Nimesulide Suspension, Nimurex, Ampicillin 250 mg capsules, Amoxycillin 250 mg capsules and Ceepro 500 mg tablets.

3.1.12 Injudicious deployment of manpower

From the details furnished by three test-checked districts (East Khasi Hills, West Garo Hills and Jaintia Hills) it was noticed that 19 staff of different categories were entertained in the functional PHCs and CHCs of these districts without providing infrastructure required for rendering services by them, as detailed below:

- Four dental surgeons were engaged in two PHCs and two CHCs without providing dental equipment;
- Nine radiographers were engaged in eight CHCs and one PHC where X-ray machines were either not provided or the machines were not functioning;
- Although no diet was supplied to the indoor patients of four PHCs and two CHCs since their inception, six cooks were engaged in these health centres.

Thus, due to injudicious deployment, the staff remained idle resulting in infructuous expenditure of Rs.21.37 lakh incurred on their basic pay alone during 1999-2004 (details in Appendix XXI). Reasons for the same were not on record.

3.1.13 Irrational utilisation of manpower

According to norm fixed by Government of India, 15 and 25 medical, paramedical and other staff are required for each PHC and CHC respectively. Contrary to this, the DM&HOs of three districts (East Khasi Hills, West Garo Hills and Jaintia Hills) entertained 2 to 18 staff in excess of actual requirement in eight PHCs and seven CHCs. In contrast, men in position in 24 PHCs and five CHCs were less (one to nine staff) than the prescribed norm. Reasons for such irrational engagement of staff were not on record. No action was initiated for diverting the excess staff to the deficient centres. Thus, lack of manpower planning rendered the rural health delivery system only partially functional.

3.1.14 Monitoring and evaluation

Successful implementation of the schemes depends upon proper monitoring and evaluation. But monitoring and evaluation of the scheme to assess the overall impact of rural health services in the State were never carried out by the DHS (MI).

3.1.15 The matter was reported to Government in August 2004 and followed up with a reminder in November 2004; reply had not been received (November 2004).

3.1.16 Recommendations

On the basis of shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made for streamlining the system of the health care services:

- HSCs need to be established according to the prescribed norm to provide proper health care services to the rural populace:
- Functioning of the health care centres needs to be streamlined to achieve the desired objectives.
- Prescribed norms should be strictly adhered to in deployment of staff to avoid unnecessary expenditure on excess/idle staff.

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.2 Working of Public Health Engineering Department

Highlights

The Public Health Engineering Department (PHE) is responsible for providing safe drinking water and sanitary facilities to the urban and rural population of the State. A review of the working of the department revealed significant shortfall (26 per cent) in coverage of habitations with drinking water during 1999-2000 to 2003-04.

The department failed to utilise 24 to 44 per cent of funds available during 1999-2000 and 2002-2004 under the Accelerated Rural Water Supply Programme thereby depriving the people of the benefit of safe drinking water.

(Paragraph 3.2.6)

Expenditure of Rs.7.38 crore up to March 2004 incurred on 40 rural water supply schemes had become unproductive, since these schemes remained incomplete for period ranging from one to three years.

(Paragraph 3.2.9)

Resubelpara Civil Sub-Division complex and enroute villages water supply scheme, scheduled to be completed by March 2000, remained incomplete even after four years despite expenditure of Rs.2.95 crore thereby denying the targeted population of safe drinking water.

(Paragraph 3.2.10)

Supply of safe potable water to the populace was not ensured because of inadequate testing of required samples of water in the laboratories established at a cost of Rs.11.99 lakh.

(Paragraph 3.2.13)

3.2.1 Introduction

The Public Health Engineering Department (PHED) is responsible for providing adequate safe drinking water and sanitation facilities to the urban and rural population as well as operation and maintenance of the completed schemes under the department. The water supply schemes are executed under (i) Minimum Needs Programme (MNP), (ii) Accelerated Rural Water Supply Programme (ARWSP) and (iii) Accelerated Urban Water Supply Programme (AUWSP).

3.2.2 Organisational set up

Under the administrative control of the Principal Secretary, PHED, the Chief Engineer (CE), PHED was responsible for planning and execution of water supply schemes and to provide sanitary facilities. At the State level, the CE was assisted by three Additional CEs (Zone I, II & Sanitation Cell), one Deputy CE, four Superintending Engineers (Rural, Greater Shillong, Electrical and Tura Circles) four Executive Engineers (Planning & Design Cell, Resource Management, Investigation & Planning and Monitoring Cell), one Executive Director, one Deputy Director and one Manager in Human Resource Development/Information, Education & Communication Cell. At the district level, the schemes were implemented by 16 Executive Engineers (EE) spread over in seven districts of the State.

3.2.3 Audit coverage

Functioning of the department was reviewed in audit through test-check (April-July 2004) of records of six^(a) out of 16 divisions in four districts (East and West Khasi Hills, East and West Garo Hills) as well as the Chief Engineer's office for the period from 1999-2000 to 2003-04 covering 38 *per cent* (Rs. 177.24 crore) of the total expenditure of Rs.460.92 crore during the period. Results of the review are discussed in the succeeding paragraphs.

3.2.4 Planning

The works programme for completion of water supply schemes during 1999-2000 to 2003-04 as framed by the department, budget provision, number of new works sanctioned, etc. were as under:

⁽i) Hills Division, Shillong, (ii) Nongstoin Division, (iii) Mawkyrwat Division, (iv) Baghmara Division, (v) Tura Division and (vi) RWS Division, Resubelpara.

Table 3.6

(Rupees in lakh)

Year	Estimate	Actual	Shortfall (Percentage)
1999-2000	28.00	. 20.88	7.12 (25)
2000-01	30.00	20.75	9.25
2001-02	32.00	- 25.53	6.47 (20)
2002-03	,35.00	23.54	11.46 (33)
2003-04	37.00	27.88	9.12 (25)
Total	162.00	118.58	43.42 (27)

Source: Information furnished by the CE, PHED.

The details above would indicate that against Rs.1.62 crore targeted for collection of water tax during 1999-2000 to 2003-04, actual collection was Rs.1.19 crore. The shortfall in collection of water tax during the period ranged between 20 and 33 per cent, reasons for which were not on record. This was a reflection of the lack of monitoring at the Sub-division level in collection of water tax.

Implementation

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3.2.8 Shortfall in achievement of target

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The achievements in the coverage of habitations with drinking water during 1999-2000 to 2003-04 against the target fixed by Government of India on the basis of left out habitations in the State, both not covered (NC) and partially covered (PC) habitations, are as under:

Table 3.7

Year	Target habitation			Achievement habitation			Shortfall (-)/Excess (+)		
	Not covered (NC)	Partially covered (PC)	Total	NC to fully covered (FC)	PC to FC	Total	NC to FC	PC to FC	Total (Per cent)
1999- 2000	270	280	550	119	222	341	(-) 151	(-) 58	(-) 209 (38)
2000-01	300	÷280	580	206	134	340	(-) 94	(-) 146	(-) 240 (41)
2001-02	240	200	440	203	112	315	(-) 37	(-) 88	(-) 125 (28)
2002-03	200	180	380	159	191	350	(-) 41	(+) 11	(-)·30 (8)
2003-04	184	196	380	171	. 198	369	(-) 13	(+) 2	(-) 11 (3)
Total	. 1194	1136	2330	858	857	1715	(-) 336	(-) 279	(-) 615 (26)

Source: Target fixed by Government of India and information furnished by the CE, PHED.

The above table shows that out of 2,330 habitations targeted for coverage during 1999-2000 to 2003-04, actual habitations covered were 1,715. The shortfall during 1999-2002 ranged between 28 and 41 *per cent*. According to the CE, PHED, the shortfall was due to delay in sanction of the schemes, inadequate funds and slow progress of works. Efforts made to overcome the constraints for achievement of the target had not been stated.

3.2.9 Incomplete water supply schemes

From the details furnished by the five out of six test-checked divisions, it was noticed that 40 rural water supply schemes (estimated to cost Rs.8.08 crore) under Baghmara, Resubelpara and Nongstoin Divisions, sanctioned during March 1999 to March 2002 and targeted for completion by March 2003, remained incomplete. The expenditure incurred was Rs.7.38 crore. The delay in completion of the works ranged between one and three years. Details of these incomplete schemes with reasons for delay in case of 33 schemes are given in Appendix XXIII. Reasons for failure in completion of the remaining seven schemes were not on record. Thus, the expenditure of Rs.7.38 crore on these incomplete schemes remained unproductive (March 2004). No information was furnished by Tura Division.

3.2.10 Unfruitful expenditure due to failure in completion of a water supply scheme

To provide safe drinking water to a population of 22,335 under MNP, the "Resubelpara Civil Sub-Division complex and enroute villages water supply scheme", estimated to cost Rs.3.86 crore, was administratively approved by the PHED in March 1997. The scheme was targeted for completion by March 2000.

According to the EE, Rural Water Supply (RWS) Division, Resubelpara, as of March 2004, the total expenditure on the scheme was Rs.2.95 crore. Of this, Rs.2.58 crore were spent (between October 1999 and December 2003) on procurement of materials (Rs.2.34 crore^(c)) and vehicles, etc. (Rs.0.24 crore) leaving a meagre amount of Rs.0.37 crore for execution of work under the scheme. Evidently, the PHED concentrated mainly on purchase of materials instead of actual implementation of the scheme. Except three components (out of six main components^(d)), viz., construction of RCC weir, laying of 250 mm diameter mild steel (MS) gravity main and construction of simplified treatment plant, other components were not even taken up by the department

MS Pipe 250 mm: 15,229.93 RM: Rs.171.41 lakh; MS Pipe 150 mm: 1050.04 RM: Rs.4.91 lakh; Cement – 650 tonnes: Rs.26.31 lakh; Torsteel rod: 91 tonnes: Rs.20.18 lakh; Torsteel rod and weir: Rs.5.39 lakh; Galvanised Iron (GI) Specials and fittings: Rs.5.37 lakh.

Construction of (i) RCC weir, (ii) treatment plant, (iii) reservoirs, (iv) staff quarters and Laying of (v) MS gravity main and (vi) distribution system.

for execution till February 2004. The construction works of reservoirs were awarded recently during March to June 2004, after a delay of seven years of sanction of the scheme. Consequently, the scheme remained incomplete even after four years from the stipulated date of completion resulting in unfruitful expenditure of Rs.2.95 crore as the intended benefit could not be extended to the targeted populace.

Audit scrutiny further revealed the following irregularities:

(i) Idle investment on purchase of materials

Out of the procured materials worth Rs.2.34 crore (MS pipe, cement, torsteel rod and weir), materials worth Rs.1.32 crore (MS pipe 250 mm: 11,720 RM: Rs.130.64 lakh; cement: 35 tonnes: Rs.1.35 lakh; torsteel rod: 13 quintals: Rs.0.22 lakh) only was utilised by the executing division during March 2000 to September 2001 and the balance materials valued at Rs.1.02 crore were lying unutilised (July 2004). Even the unutilised quantities of cement and torsteel rods were not taken into site accounts and thus, remained unaccounted for as of June 2004. Reasons for prolonged storage of materials, particularly cement, which resulted in idle investment of Rs.1.02 crore, were not on record.

According to Cement Corporation of India, relative strength of cement is reduced by 30 and 50 per cent after storage of six months and two years respectively. The unusual action of the EE in retaining 615 tonnes of cement worth Rs.24.96 lakh for period ranging from seven months to over four years without any reason had not only reduced its relative strength but was also fraught with the risk of becoming unusable entailing loss to Government. Responsibility for the lapse had not been fixed.

(ii) Unproductive expenditure due to discontinuation of work by a contractor

The CE, PHED awarded (December 1999) three components of the scheme, viz., construction of RCC weir, laying of 14,650 RM 250 mm diameter MS gravity main and construction of 1.65 MLD capacity simplified treatment plant, to a contractor at 27.7 to 69 per cent above the estimated cost (Rs.66.85 lakh), stipulating the date of completion as December 2000.

As of September 2001, the EE, RWS Division, Resubelpara paid Rs.37.44 lakh to the contractor for laying of 11,720 RM pipe till September 2001. Thereafter, the contractor discontinued the work, but the EE did not initiate any action to rescind the contract and to execute the remaining work at the risk and cost of the contractor as required under the agreement. Consequently, the works remained incomplete even after three years of stipulated date, rendering the entire expenditure of Rs.37.44 lakh unproductive.

3.2.11 Non-functional water supply schemes due to theft of pipes

Mention was made in Paragraph 4.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 regarding unproductive expenditure of Rs.72.11 lakh on water supply schemes due to frequent theft of GI pipes. Though the department informed the Public Accounts Committee (33rd Report of the Public Accounts Committee placed before the Assembly in June 2000) that constant vigil over the laid pipes was being maintained and a policy had been chalked out for transfer of completed scheme to village administration, stealing of laid pipes of the water supply schemes persisted, as discussed below.

Despite completion of work at a cost of Rs.38.11 lakh, eight water supply schemes under Nongstoin and Mawkyrwat Divisions failed to function because of theft of laid pipes worth Rs.4.39 lakh between May 2000 and July 2003 (details in Appendix XXIV). Reasons for not replacing the length of stolen pipes even after one to four years as well as for not taking effective measures to protect the laid pipes were not on record. Though the concerned divisions lodged First Information Reports with the Police during June 2000 to July 2003, outcome of Police investigation in all the cases was awaited (July 2004).

Thus, failure to keep the departmental material secured resulted in an unfruitful expenditure of Rs.38.11 lakh as the intended benefit of supply of safe drinking water could not be extended to the beneficiaries, besides loss of Rs.4.39 lakh being the value of stolen pipes.

3.2.12 Inventory of assets not maintained

A complete inventory of drinking water sources under different programmes like ARWSP, MNP, etc. giving date of start and completion of the project, cost of completion, depth in case of the spot sources, agency responsible for operation and maintenance and other relevant details was to be maintained by the department. Scrutiny of records of the test-checked divisions revealed that the divisions did not maintain inventory of assets despite CE's instructions of September 2003.

Quality of water

3.2.13 Inadequate testing of water

To ensure supply of safe potable water to the people, physio-chemical and bacteriological testing of water were to be carried out. Government of India released Rs.12 lakh in March 1997 (Rs.2 lakh) and February 1998 (Rs.10 lakh) to the State Government for setting up of six new district level water

testing laboratories in the State. Between June 1999 and July 2000, the PHED established six laboratories in six districts at a cost of Rs.11.99 lakh.

According to executive guidelines issued (January 1999) by the Government of India, the district level laboratory with six staff should analyse 6,000 samples in a year. Records relating to five test-checked laboratories showed that engagement of staff in these laboratories was far below the required strength. While in one laboratory, no regular staff was posted (one Junior Engineer was looking after the work of the laboratory), in the other four laboratories, men in position during 1999-2004 were one to three. During 1999-2000 to 2003-04, 1,640 samples were tested against the capacity of 1.50 lakh samples. Reasons for massive shortfall (99 per cent) in conducting the required test of water though not on record of the concerned divisions, absence of adequate staff was one of the factors responsible for such shortfall. Thus, the possibility of supplying contaminated water to the targeted population could not be ruled out.

3.2.14 Absence of community participation

To impart training at the grass root level, the National Human Resource Development Programme (NHRDP) was launched by Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1994. According to instructions of Government of India (February 2003), the Human Resource Development (HRD) activities were to be taken up fully by the State Government from April 2003.

As of March 2002, the PHED incurred expenditure of Rs.63.19 lakh under the HRD programme (Equipment: Rs.6.84 lakh; staff salary: Rs.41.28 lakh; training: Rs.15.07 lakh) against the available funds of Rs.64.68 lakh^(a). During 2002-03, no fund was released by Government of India for the HRD activities. According to the Executive Director, HRD Cell, between 1998-99 and 2001-02, the department imparted training (operation and maintenance of water supply schemes, preservation of water source and public health and sanitation) to 1,314 beneficiaries (including 10 sector professionals) against the target of 4,450 beneficiaries and 10 sector professionals. But the services of these trained personnel were not utilised for operation and maintenance of water supply schemes thereby defeating the purpose for which the training was imparted. Besides, the HRD activities had not been taken up by the State Government from April 2003 as required under Government of India's instructions of February 2003.

⁽a) Government of India: Rs.56.68 lakh released during 1995-96 (Rs.21.92 lakh) and 1999-2002 (Rs.34.76 lakh); State: Rs.8 lakh released during 1996-1998.

3.2.15 Information, Education and Communication

RGNDWM guidelines provided for creation of awareness on matters related to water borne disease manifestations and symptoms. Implementation of the Information, Education and Communication (IEC) programme in selected districts (East Khasi Hills and West Garo Hills) of the State was approved by the RGNDWM in March 1996 on a 50:50 cost share between Central and State Governments. According to instructions of Government of India (February 2003), the IEC activities were to be fully taken up by the State from April 2003.

As of March 2003, the PHED incurred expenditure of Rs.8.28 lakh for audiovideo programme/films, printing works, etc. out of the funds of Rs.22.87 lakh released (January 1997) by the Government of India for the IEC project (cost: Rs.91.51 lakh). The State Government neither released its matching contribution nor appointed any staff either at State or district level for the IEC activities, reasons for which were not on record. Though the State Government was to take up IEC activities fully from April 2003, no expenditure was incurred under the programme during 2003-04. The unspent balance of Rs.14.59 lakh was still lying with the State Government.

Thus, the objective for creation of community awareness under the project remained to be achieved even after seven years of release of Central funds.

Material management

3.2.16 Surplus stock

Test-check of records of three divisions revealed that materials like GI pipes, water supply fittings, *etc.*, valued at Rs.1.97 crore^(e) were lying unutilised in stores of these divisions as of March 2004.

Prolonged storage could lead to deterioration of stores, but no effective steps were taken for disposal of these materials. Such inaction led to deterioration of materials worth Rs.24.60 lakh in the RWS Division inasmuch as the concerned EE sought (November 2003) approval of the Superintending Engineer, Tura for declaration of these materials as unserviceable. Again, in two divisions, water supply materials valued Rs.3.38 lakh (Tura: Rs.2.02 lakh;

Name of Division	Period of purchase	Value of materials as of March 2004 (Rupees in lakh)
(i) Tura	1977 to 1984 and 2000-2001	35.01
(ii) Hills, Shillong	1978 to 1997	76.09
(iii) RWS Division, Resubelpara	Prior to 1984	86.32
Tota	1	197.42

RWS Division: Rs.1.36 lakh) were purchased (December 2001 and 2002 and March 2004) despite availability of these materials in the concerned divisional stores.

Thus, procurement of materials without assessment of actual requirement not only resulted in idle investment of Government funds but was also fraught with the risk of theft or loss due to deterioration and obsolescence.

Manpower management

3.2.17 Sanctioned strength and men in position

According to the information furnished (May 2004) by the CE's office, the sanctioned strength *vis-à-vis* men in position of the PHED during 1999-2000 to 2003-04 were as indicated in Appendix XXV.

While the non-technical staff in position constituted 100 per cent of the total sanctioned strength during the period, the availability of technical staff directly linked with the implementation of the different water supply schemes was between 87 and 90 per cent of the total sanctioned strength.

3.2.18 Monitoring and evaluation

The implementation of the programmes was monitored only through the progress reports received from the executing divisions which were compiled by the Monitoring Cell in the office of the CE, PHED and submitted to the State Government as well as to the Government of India. No evaluation study had been conducted by the department to ensure supply of adequate safe drinking water to the rural and urban population.

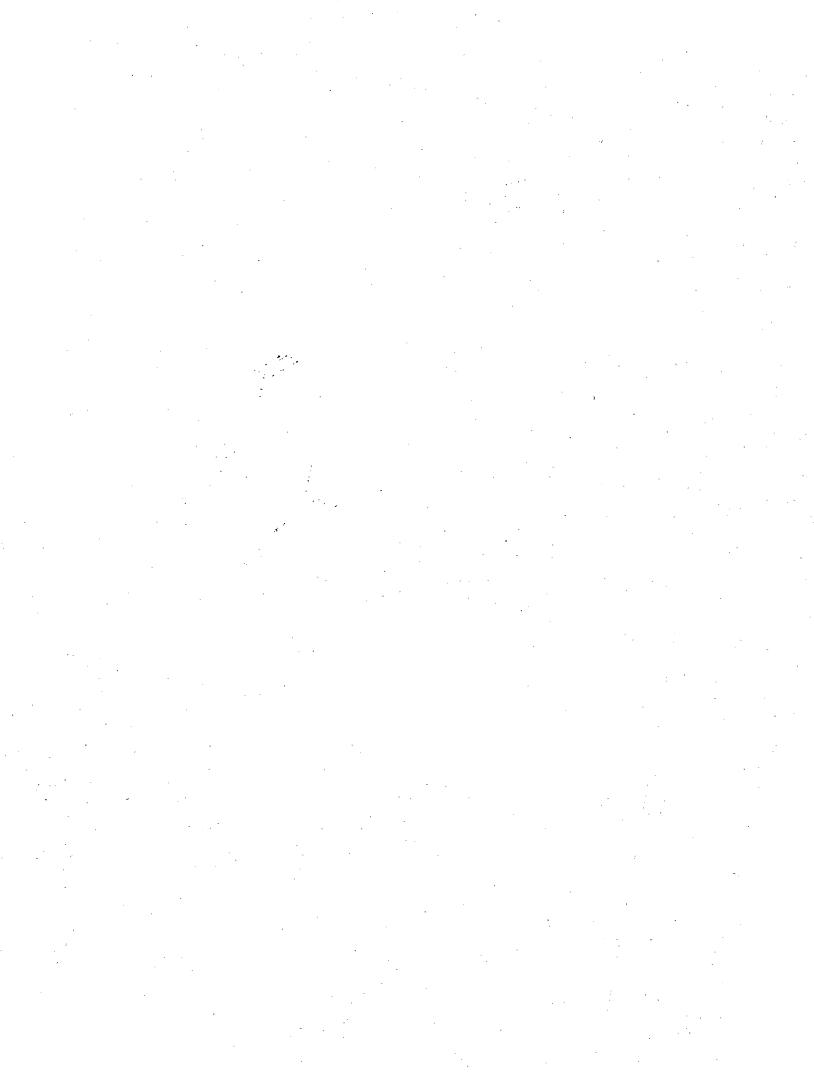
3.2.19 The matter was reported to Government in August 2004 and followed up with a reminder in November 2004; reply had not been received (November 2004).

3.2.20 Recommendations

On the basis of shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made:

- Water supply schemes need to be undertaken after proper planning and investigation to avoid delay in completion.
- A system needs to be evolved to ensure that the benefit of the schemes percolate to the people it is intended for.

- The quality of potable water supplied needs to be ensured through proper testing of water.
- A complete inventory of drinking water sources under different programmes needs to be maintained.



CHAPTER IV AUDIT OF TRANSACTIONS

Unfruitful expenditure

Doubtful execution

Idle investment/Undue financial benefit



CHAPTER IV: AUDIT OF TRANSACTIONS

UNFRUITFUL EXPENDITURE

AGRICULTURE DEPARTMENT

4.1 Unfruitful expenditure on implementation of Centrally Sponsored Scheme on setting up of cold storages

Due to inaction of the department/Board to utilise the cold storages, expenditure of Rs.1.91 crore on their construction remained unfruitful, besides loss of revenue to the extent of Rs.1.06 crore.

To provide cold storage and transportation facilities for handling, processing and marketing of fruits and vegetables in the State, the Centrally sponsored scheme for setting up of two 1000 tonnes capacity cold storages at Mawiong and Garobadha, estimated to cost Rs.1.96 crore (including Rs.20 lakh for procurement of two refrigerated trucks), was taken up by the department during 1996-97. The two refrigerated trucks were meant for transportation of commodities from the production centres to the cold storages and from the cold storages to the markets and existing fruit processing units. The revenue from these cold storages was projected at Rs.88 lakh per annum. Implementation of the scheme was entrusted to the Meghalaya State Agricultural Marketing Board (Board). During February – March 1997 and March 2000, funds totalling Rs.1.64 crore were released to the Board by the Central (Rs.0.84 crore) and State (Rs.0.80 crore) Governments for construction of the cold storages.

Scrutiny (November 2003) of records of the Director of Horticulture, Shillong and information furnished (May 2004) by the Board revealed that the cold storages were commissioned by the Board in July 2002 (Mawiong) and December 2003 (Garobadha) at a cost of Rs.1.91 crore (Mawiong: Rs.0.92 crore; Garobadha: Rs.0.99 crore). None of the cold storages was utilised by the Board till date (June 2004), reasons for which were not on record. The refrigerated trucks were also not purchased by the Board due to non-availability of funds. The Secretary of the Board stated (June 2004) that the trucks, if purchased, would be an additional liability since the cold storages were still not utilised.

Thus, due to inaction of the department/Board to utilise the assets, benefits envisaged under the scheme had not been achieved even after completion of these cold storages rendering an expenditure of Rs.1.91 crore on construction thereof unfruitful, besides loss of revenue of at least Rs.1.06 crore^(a).

The matter was reported to Government in February and July 2004 and followed up with a reminder in October 2004; reply had not been received (November 2004).

FISHERIES DEPARTMENT

4.2 Unfruitful expenditure on development of fisheries in reservoirs

Failure of the department in taking timely action to improve the productivity of fish in the reservoirs resulted in unfruitful expenditure of Rs.87.74 lakh.

To raise fish for marketable purposes under the scheme "Development of Reservoirs and Lakes", the Fisheries Department executed (February 1989) an agreement for five years with the Meghalaya State Electricity Board (Board) for use of two reservoirs of the Board, viz., Kyrdemkulai and Nongmahir, against an annual fee of Rs.1,000 each. The validity of the lease period was periodically extended up to January 2006 and the annual fee was enhanced to Rs.25,000 for each reservoir (effective from February 1994) through subsequent agreements (February 1994, August 1998 and October 2000).

Scrutiny (April 2003 and June 2004) of records of the Director of Fisheries (DOF) and further information received (July 2004) from the DOF revealed that between 1992-93 and 2003-04, the department appointed a Reservoir Development Officer and 11 officials for the two reservoirs. During this period, the DOF incurred a total expenditure of Rs.88.98 lakh (pay and allowances: Rs.56.91 lakh; payment of fee to the Board: Rs.5.02 lakh; machineries: Rs.13.64 lakh; fish food/fish seed: Rs.13.41 lakh). Against the

@ Rs.44 lakh per annum:

Rs.84.33 lakh Rs.22.00 lakh

Garobadha: January to June 2004: 6 months @ Rs.44 lakh per annum:

Rs.106.33 lakh

a) Mawiong: August 2002 to June 2004: 1 year 11 months

target of 225 tonnes of fish during 1993-2004, actual production of fish from the two reservoirs was 3.76 tonnes, the sale value of which was Rs.1.24 lakh only. Huge shortfall (98 per cent) in achievement of target was indicative of the fact that the reservoirs were taken up by the department without proper planning and survey.

The Deputy Secretary (DS) of the department stated (May 2004) that the shortfall in achievement of target was due to existence of large number of tree-trunks, bamboos, *etc.* under the water of the reservoirs and regular release of water by the Board to maintain the water level. The DS further stated (September 2004) that the department had initiated steps to make the reservoirs productive and had recently taken up a pilot project to determine the possibility of using floating cages to increase the fish production in the reservoirs.

Thus, failure of the department in taking timely action either to improve the productivity of marketable fish or to discontinue the lease of the reservoirs after expiry of the first term resulted in unfruitful expenditure of Rs.87.74 lakh.

FOREST AND ENVIRONMENT DEPARTMENT

4.3 Unfruitful outlay on implementation of Central Sector Scheme on development of parks and sanctuaries

High frequency sets purchased for controlling poaching of wildlife were not put to use resulting in an unfruitful expenditure of Rs.17.28 lakh.

To set up High Frequency (HF) wireless transmission network as an antipoaching measure, the State Government sanctioned (March 1999) Rs.10.93 lakh to the Principal Chief Conservator of Forests (PCCF) for purchase of nine HF sets for seven different stations and two as stand-by under the Central Sector Scheme "Assistance on development of parks and sanctuaries (Balpakram National Park)".

Scrutiny (October 2003) of records of the Divisional Forest Officer (DFO), Khasi Hills Wildlife Division and information furnished (July 2004) by the Conservator of Forests (Headquarters), Shillong (COF) revealed that the 'frequency' required for operating the HF sets was not allotted by the Ministry of Communication, Government of India (Ministry) in spite of repeated requests by the Chief Conservator of Forests from December 1995 onwards.

Though the permission had not been obtained from the Ministry, the DFO purchased (January 2000) nine HF transreceiver sets at a cost of Rs.10.94 lakh (paid in January 2000: Rs.10.93 lakh and March 2000: Rs.0.01 lakh) from a New Delhi based firm, but these could not be put to use. Reasons for purchase of sets without allotment of the required frequency from the Ministry even after four years of correspondence were not on record.

Despite failure in utilisation of these sets, the State Government again sanctioned (March 2001) Rs.6.34 lakh to the PCCF for purchase of six more HF sets. In December 2001, the DFO purchased six sets at a cost of Rs.6.34 lakh from another firm (paid in June 2002). The contention of the COF (July 2004) that one stand-by set for each station was considered essential for uninterrupted communication is not justified, because the sets purchased earlier could not be put to use. Till June 2004 the required frequency had not been allotted and all the sets remained unutilised for two to over four years. Meanwhile, the warranty period of the sets had expired in January 2001 (nine sets) and December 2002 (six sets).

Thus, the purchase of HF sets without ensuring their proper utilisation resulted in unfruitful outlay of Rs.17.28 lakh. Further, since the warranty period of the sets had expired, the possibility of additional expenditure in case of any defects in the sets could not be ruled out.

The PCCF stated (August 2004) that the sets were procured in anticipation of obtaining allotment of frequency. The anticipation was not justified because the department failed to obtain the required frequency even after eight years.

The matter was reported to Government in February and July 2004. Government endorsed the views of the PCCF and stated (September 2004) that the funds released by Government of India had to be utilised immediately for procurement of high frequency transmission to strengthen parks and sanctuaries and buffer areas. The fact remains that the said objective had not yet been achieved.

PUBLIC WORKS DEPARTMENT

4.4 Unfruitful expenditure on execution of road work by Mairang PWD (Roads) Division

Execution of work on the extended portion of the road without execution of sub-base and base course resulted in an unfruitful expenditure of Rs. 36.05 lakh.

The work "Strengthening of hard crust at five selected stretches on Mawngap-Mairang-Ranigodown Road – Section I (5th to 24th Km)", estimated to cost Rs.61.13 lakh, was administratively approved by Government in March 2001. According to the technically sanctioned (May 2001) estimate and the drawing of the road, the width of the existing hard crust (carriage way) of the road was 4.25 metres. The work was not executed by the department till March 2002.

In March 2002, Government accorded administrative approval for widening and strengthening of hard crust of the entire Mawngap-Mairang Road – Section I (5th to 24th Km) at an estimated cost of Rs.4.52 crore. The technically sanctioned (July 2002) detailed estimate of the work *inter alia* provided for execution of four items^(a) of work on the entire road covering an area of 1,00,800 sqm, taking into account the average width of the carriage way as 4.8 metres. But provision for sub-base and base course for the extended portion of 0.55 metre width (Proposed carriage way: 4.8 metres – Existing hard crust: 4.25 metres) was not made in the detailed estimate, reasons for which were not on record. The work was awarded (June 2002) by the Additional Chief Engineer (ACE) (Roads) to a contractor at his tendered value of Rs.3.36 crore (enhanced to Rs.3.62 crore in March 2003 due to execution of levelling course) even before technical sanction of the detailed estimate.

Test check (October-November 2003) of records of the Executive Engineer (EE), PWD (Roads), Mairang Division and the Running Account (RA) Bills of the contractor revealed that strengthening work of the road consisting of the four items mentioned above was executed almost on the entire estimated surfaced area of 1,00,799.08 sqm. But execution of sub-base and base course on the extended 11,550 sqm^(b) area of the road was neither recorded in the Measurement Books nor in the RA Bill (3rd and latest RA bill of gross value: Rs.3.15 crore paid in June 2003) of the contractor.

⁽a) (i) Cleaning of the existing black topped surface; (ii) Providing and applying tack coat on the prepared surface; (iii) Providing and laying bituminous macadam on prepared surface; (iv) Providing, laying and consolidating semi-dense bituminous concrete.

⁽b) Width: 0.55 m x Length: 20 kms. x 1000 + 5 per cent for curves

^{= 11,550} sqm.

Thus, bituminous work was shown to have been executed on the extended area and paid for when execution of sub-base and base course on it had neither been provided for in the estimate nor executed. This made the payment of Rs.36.05 lakh^(c) questionable and in any case this was an unfruitful expenditure since bituminous work without sub-base and base would not serve any purpose.

The matter was reported to Government in January and June 2004 and followed up with a reminder in September 2004; reply had not been received (November 2004).

DOUBTFUL EXECUTION

PUBLIC WORKS DEPARTMENT

4.5 Doubtful execution of construction work of a road by Shillong North Division

Execution of a road at the cost of Rs.44.27 lakh without construction of required hume pipe culverts remained doubtful.

For transportation of agricultural produce by the villagers, the State Government accorded (March 1998) administrative approval to the work "Construction of a road from Mawlong to Umtrai (portion from Umbi to Umtrai-length 5 kms.)" at an estimated cost of Rs.41.26 lakh, with the condition that no change of specification and quantity should be made for any item as provided in the sanctioned estimate. According to the technically sanctioned (June 1998) detailed estimate, the main components of the work were as under:

- (i) Execution of 58,495.79 cum of earth work (cost: Rs.13.13 lakh) for the entire length of the road with 4.6 metres formation width (including side drain); and,
- (ii) Construction of 270 Running Metres (RM) Hume Pipe (HP) culvert at 39 different locations at a cost of Rs.14.60 lakh.

(c) Item (i): 11,550 sqm. @ Re.1 per sqm. = Rs. 11,550 Item (ii): 11,550 sqm. @ Rs.5.10 per sqm. = Rs. 58,905 Item (iii): 11,550 x 0.05 = 577.5 cum + 14.89 per cent for levelling course = 663.49 cum @ Rs.3,500 per cum = Rs.23,22,215

Item (iv): 11,550 sqm x 0.025 = 288.75 cum @ Rs.4,200 per cum

= Rs.12,12,750

According to the Physical Progress Report for the quarter ending June 2003, the construction work of the road was physically completed at a cost of Rs.44.27 lakh (including Rs.21.73 lakh on earth works).

Test-check (August 2003) of records of the Executive Engineer (EE), Shillong North Division, Nongpoh revealed the following:

- Between June 1999 and December 2000, the earth works were (i) awarded to 304 different contractors after inviting tenders. Contrary to the Government's instructions, the earth works were executed (between September 1999 and February 2001) at an expenditure of Rs.21.90 lakh with 6.6 and 7.6 metres formation width (including side drain) throughout the entire stretch against the estimated 4.6 metres. Further, as per measurement of earth work recorded in the Measurement Books (MB), the measurements of height at the end of a particular chainage and those obtained at the beginning of the next chainage did not match. The variation ranged between 0.5 and 3 metres. A few instances are given in Appendix XXVI. This indicated that the measurement was erroneous. Consequently, 1,00,397.44 cum of earth work being recorded in the MBs, which exceeded the estimated provision by 41,901.65 cum resulting in extra expenditure of Rs.8.77 lakh (details in Appendix XXVI). The EE also did not exercise the test-check of recorded measurements as required under Rule 317(i) of the Meghalaya Financial (MF) Rules, 1981.
- (ii) In contrast, the HP culvert constructed by the Division was far below the technically sanctioned estimated quantity. Against the requirement of 270 RM of HP culverts at 39 locations, 156.25 RM were constructed at 25 locations at the cost of Rs.9.53 lakh throughout the entire stretch of the road.

Thus, failure of the EE to conduct required test-check of recorded measurements made the claim of the Division that the work was physically completed doubtful because of shortfall (42 per cent in length and 14 in number) in construction of HP culverts. Justification for such variation, though called for (August 2003) from the EE, had not yet been furnished.

Despite the stipulation in clause 7(i) and (ii) of the administrative approval of March 1998 that no change of specification and quantity as given in the sanctioned estimate was permissible, the Department could not explain the reasons for these major variations. Thus, the actual execution of the road at the cost of Rs.44.27 lakh remained doubtful.

The matter was reported to Government in December 2003 and June 2004 and followed up with a reminder in September 2004; reply had not been received (November 2004).

IDLE INVESTMENT/UNDUE FINANCIAL BENEFIT

COMMUNITY AND RURAL DEVELOPMENT DEPARTMENT

4.6 Idle investment of Central funds on construction of workshopcum-trainees' hostel building for training centre at Nongstoin

Inordinate delay in commencement of the work and failure in selection of trainees by the District Rural Development Agency, Nongstoin for the training centre led to idle investment of Rs.11.63 lakh.

To provide necessary infrastructure for imparting training to young entrepreneurs on a large scale in selected viable economic enterprises and trades under the Centrally sponsored TRYSEM^(a) programme, Government of India sanctioned (March 1996) Rs.10.66 lakh as grants-in-aid to the District Rural Development Agency (DRDA), Nongstoin for setting up of "Exclusive TRYSEM Training Centre". According to Government of India's instructions of October 1995, (i) immediate action for setting up of the training centre should be initiated by the State Government and (ii) extreme care should be taken to ensure that the training centre did not remain idle. The Central grants were released to the DRDA in March 1996 and deposited by the DRDA in a savings bank account with a Bank in August 1996.

Test-check (December 2003) of records of the Project Director (PD), DRDA, Nongstoin revealed that contrary to the instructions of the Government of India, the DRDA took up the construction work of the workshop-cumtrainees' hostel building for the training centre only in April 2000. The delay was attributed (April 2000) by the DRDA to late completion of formalities required before implementation of the scheme. The building was completed in August 2001 at a cost of Rs.11.63 lakh. But the PD neither selected any group of trainees nor appointed staff (except one store keeper), part-time instructors, teachers, craftsmen, etc. for imparting training as required under Government of India's instructions of October 1995, reasons for which were not on record. Consequently, the building remained unutilised (December 2003).

Thus, inordinate delay in commencement of work of the training centre as well as failure to utilise the building even after two years of completion resulted in idle investment of Rs.11.63 lakh (including locking up of Central funds of Rs.10.66 lakh for four years).

⁽a) Training of Rural Youth for Self Employment.

The PD of the DRDA stated (July and October 2004) that after December 2003 the building was utilised for providing accommodation to the trainees of self help group members under SGSY, etc. and for imparting training by other departments. Since no group of trainees was selected and training was not imparted in selected trades, utilisation of the building for other purpose was not justified.

The matter was reported to Government in May 2004 and followed up with a reminder in November 2004; reply had not been received (November 2004).

ELECTION DEPARTMENT

4.7 Undue financial benefit to the agencies on preparation of Electors' Photo Identity Cards

Acceptance of claims of the agencies for undertaking the job of preparation of Electors' Photo Identity Cards beyond the stipulated time led to undue financial benefit of Rs.15.15 lakh to the agencies.

Under the Electors' Photo Identity Cards (EPIC) programme, the State Chief Electoral Officer (CEO) invited (May 2001) tenders for preparation of EPICs of eligible voters. Out of tenders received from nine agencies, the rates of two agencies for on-line^(a) mode of EPICs as considered (July 2001) by the Tender Committee (Committee) were as under:

Table 4.1

(In rupees)

Particulars of agencies	Urban areas o Nong	f Shillong and stoin	Urban areas of Jowai and Nongpoh		
	Rate per team day	Rate per defect free distributed EPIC	Rate per team day	Rate per defect free distributed EPIC	
Agency 'A'	5,500.00	6.00	5,500.00	6.00	
Agency 'B'	2,400.00	14.90	2,490.00	14.90	

Source: Comparative statement (Annexure II of the minutes of the Tender Committee) showing the rates offered by the tenderers.

Taking into consideration the views of the Deputy Commissioners and Subdivisional Officers and also for lessening the burden on the State exchequer, the Committee fixed (July 2001) the production target of 350 on-line mode EPICs per day in urban areas by the agencies. Accordingly, the rates offered

⁽a) EPICs to be distributed on the same day of taking photograph on the spot.

by Agency 'A' was approved by the Committee as lowest^(b). The job was awarded (September 2001) to both the agencies at the approved lowest rates.

Besides the rates^(c) of payment, the agreement executed (September 2001) with the agencies *inter alia* provided for delivery of approximately 72,549 online mode EPICs (Agency 'A': 37,509; Agency 'B': 35,040) in 10 Assembly Constituencies^(d) (AC) within 207 team days (Agency 'A': 107 days; Agency 'B': 100 days).

Test-check (May 2004) of records of the CEO revealed that contrary to the agreed conditions, the agencies claimed payment (Rs.29.42 lakh) for 535 team days for preparation and delivery of EPICs between 13 September 2001 and 1 October 2002 in the 10 ACs (Agency 'A': Rs.16.72 lakh for 304 team days; Agency 'B': Rs.12.70 lakh for 231 team days). According to the CEO, the agencies delivered 24,619 EPICs (Agency 'A': 21,582; Agency 'B': 3,037) in the 10 ACs. The department, instead of restricting the claim according to the agreed conditions, paid Rs.28.02 lakh (including advance of Rs.7.89 lakh paid on 15 September 2001) to the agencies (Agency 'A': Rs.15.85 lakh; Agency 'B': Rs.12.17 lakh). The EPICs delivered by the agencies were also far below the approximate target made in the agreements.

Thus, due to acceptance of claims of the agencies for undertaking the job beyond the stipulated time and that too without ensuring distribution of the targeted EPICs resulted in undue financial benefit of at least Rs.15.15 lakh^(e) to the agencies even allowing the entire allotted 207 team days. Such action had also frustrated the objective of economic execution of the work as considered by the Committee while approving the lowest rate.

The CEO and Commissioner & Secretary (CEO&CS) of the department stated (September 2004) that (i) no restriction was imposed on the claim beyond the agreed time frame due to the disruption of the programme in East Khasi Hills, commitment of the department to make payment for team days and

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Agency 'A':
350 EPICs per day @ Rs.6 per EPIC + Rs.5,500 = Rs.7,600 ÷ 350 = Rs.21.71 per EPIC.
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Nongpoh in Ri-Bhoi District and Jowai in Jaintia Hills District.

Agency 'A': 107 days @ Rs.5,500 per day = Rs.5,88,500 21,582 EPICs @ Rs.6 each = Rs.1,29,492

Agency 'B': 100 days @ Rs.5,500 per day = Rs.5,50,000

3,037 EPICs @ Rs.6 each = <u>Rs. 18,222</u>
Undue benefit

Rs.12,86,214 Rs.15,15,386

³⁵⁰ EPICs per day @ Rs.14:90 per EPIC + Rs.2,490 = Rs.7,705 \div 350 = Rs.22.00 per EPIC.

⁽c) Rs.5,500 per team day; Rs.6 per defect free distributed EPIC; @ 350 EPICs per day.

Agency 'A': Malki-Nongthymmai, Laitumkhrah, Jaiaw, Mawkhar and Mawlai in East Khasi Hills District.

Agency 'B': Laban, Mawprem and Pynthorumkhrah in East Khasi Hills District,

⁽e) Amount paid: Rs.28,01,600
Amount payable allowing the allotted team days:

compulsion for achieving target set by the Election Commission before February 2003, (ii) the disproportionate number of team days applied in relation to the card production was mainly caused by uncertain environment and the insecurity of the voters and (iii) though it was conceded that team days done by the vendors overlapped the agreed time frame, the rates per card and per team day did not deviate from those approved by the Tender Committee.

Replies are not tenable because -

- on 11 September 2001, the CEO was informed by the Inspector General of Police (SB) about opposition on EPIC programme by an organisation. Further, according to the Chief Secretary of the State (letter dated 14 September 2001 to the Election Commission of India), the CEO was asked to keep the implementation of the scheme in abeyance due to objections from certain groups of people/Non-Governmental organisations especially in the East Khasi Hills District. Even so, the programme was continued in East Khasi Hills between 13 September and 30 October 2001 by both the agencies for which Rs.6.76 lakh was claimed by them for 123 team days. The balance amount of Rs.22.66 lakh was claimed by the agencies for implementation of the programme between 3 June and 1 October 2002 after resumption of the programme in May 2002 with the original rate, terms and conditions and thus, non-imposition of the agreed conditions was not justified. Further, in addition to the rate for team days, the agreement provided for 350 EPICs per day and thus, the targeted EPICs (72,549) could have been completed within the time frame even after resumption of programme;
- (ii) production of 350 on-line EPICs per day in urban areas was fixed by the Committee taking into consideration the uncertain environment like low turnout of voters and unavoidable circumstances leading to less production of cards by the agencies as apprised to the Committee by the CEO during the meeting (July 2001); and
- (iii) the lowest rate (Rs.21.71 per EPIC) was approved by the Committee on the basis of 350 cards per day. Thus, number of cards delivered by the agencies would have been completed within 62 days (Agency 'A') and nine days (Agency 'B'). Taking into account the number of cards delivered by the agencies against the amount paid to them, the rate of each card worked out to Rs.73.44 (Agency 'A') and Rs.400.59 (Agency 'B').

The CEO&CS further stated (October 2004) that in 1995, the vendors had to be compensated for haltage because of suspension of EPIC scheme for opposition from various organisations. To avoid claim of compensation by the vendors in the case of EPIC programme in 2001 as well as to improve the implementation of the scheme it was decided to invite the bids on the basis of two components (team days and number of cards) and assign a target of 350 cards per day for on-line areas. As regards sub-paragraphs (i) to (iii) above, the CEO&CS stated that (i) in election related works the Inspector General of

Police and the Chief Secretary did not have the final authority over the CEO; hence, only on receipt of Election Commission's decision on 25 September 2001, the Deputy Commissioner, East Khasi Hills informed (27 September 2001) the vendors to keep the scheme in abeyance, (ii) the formula for the team days and 350 cards per day was based on the advice of CMC, Kolkata (State Level Agency) and (iii) the lowest rate of Rs.21.71 per EPIC was notional as payment was made on the basis of team days and actual cards produced.

GENERAL

4.8 Failure to respond to Audit objections and compliance thereof

Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities, etc. detected during inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. The Meghalaya Financial Rules, 1981 provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies and lapses noticed during inspection. The Heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half-yearly report of pending IRs is sent to the Secretary of the concerned department to facilitate monitoring of the Audit observations in the pending IRs.

Inspection Reports issued up to March 2004 pertaining to 229 offices/divisions of four departments disclosed that 970 paragraphs relating to 280 IRs remained outstanding at the end of September 2004. Of these, 61 IRs containing 165 paragraphs had not been replied to/settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is detailed in the Appendix XXVII. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue of IR were not received from 24 offices for 196 paragraphs of 24 IRs issued between 1986-87 and 2003-04. As a result the following serious irregularities commented upon in these IRs had not been settled as of September 2004.

Table 4.3

Serial number	Nature of irregularities	Number of paragraphs	Amount (Rupees in lakh)
1.	Rules relating to custody and handling of cash, maintenance of cash book and Muster Roll not observed	24	17.03
2.	Recovery of departmental receipts, advances, overpayments/inadmissible payments and other recoverable charges were either delayed or not made	76	190.04
3.	Unauthorised/Infructuous/wasteful expenditure and excess over sanctioned estimate	140	309.75
4.	Drawal of fund in advance of requirement	10	45.11
5.	Wanting Payees' Receipts/Detailed Countersigned Contingent (DCC) Bills/ sanctions	17	3661.25
6.	Utilisation certificates not submitted	12	234.45
7.	Local purchase of materials without immediate requirement/locking up of funds due to excessive purchase	30	53.30
8.	Excess payment due to non-deduction of void/forest royalty/Avoidable expenditure due to change in classification of soil, etc./Excess entertainment of muster roll labourers	70	79.40
9.	Improper maintenance of store account/absence of physical verification of stores/Idle Stock/Stock in excess of reserve stock limit	28	72.27
10.	Others	563	2290.40
	Total	970	6953.00

A review of the IRs which were pending due to non-receipt of replies from the departments mentioned in the Appendix XXVII revealed that the Heads of the offices whose records were inspected and the concerned Heads of the Departments/offices^(a) failed to discharge due responsibility as they did not arrange to send reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned departments, who were informed of the position through half-yearly reports, also failed to ensure prompt and timely action by the concerned officers of the department.

The above also indicated inaction against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government.

It is recommended that Government should look into this matter and ensure that procedure exists for (a) action against the officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and

⁽a) Directors, Community and Rural Development, Tourism & Information & Public Relation, and Chief Engineer, Public Works Department.

(c) revamping the system of proper response to the Audit observations in the department.

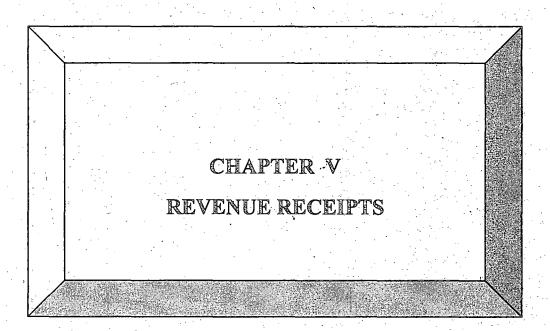
The matter was reported to the Government in November 2004; reply had not been received (January 2005).

4.9 Follow up action on Audit Reports

To ensure accountability of the executive about the issues dealt in the various Audit Reports, the Public Accounts Committee (PAC) issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned administrative departments within one month of presenting the Audit Reports to the State Legislature. According to the said instructions, the Report was to be taken up from 1986-87 onwards. Review of outstanding explanatory notes on paragraphs included in the Reports of the Comptroller and Auditor General of India for the years from 1986-87 to 2002-03 revealed that the concerned administrative departments were not complying with these instructions. As of November 2004, *suo motu* explanatory notes on 238 paragraphs of these Audit Reports (Civil and Works Chapters) were outstanding from various departments as detailed in Appendix XXVIII. Department-wise position of some of the important paragraphs of Audit Reports for the last three years ending March 2003 on which follow-up action had been inadequate are given in Appendix XXIX.

The administrative departments were required to take suitable action on the recommendations made in the Report of the PAC presented to the State Following the circulation of the Reports of the PAC, the Legislature. departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat. The PAC specified the time frame for submission of such ATNs as six weeks up to 32nd Report of the PAC and six months in 33rd Review of 11 Reports of the PAC involving 13 departments (containing recommendations on 47 paragraphs of Audit Reports as detailed in Appendix XXX) presented to the Legislature between April 1995 and December 1997 (10 reports) and in June 2000 (one report) revealed that none of these departments sent the ATN to the Assembly Secretariat as of November 2004. Thus, the fate of the valuable recommendations contained in the said reports of the PAC and whether they were being acted upon by the administrative departments could not be ascertained in audit.

The matter was reported to Government in November 2004; reply had not been received (January 2005).





CHAPTER V: REVENUE RECEIPTS

5.1 General

5.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Meghalaya during the year 2003-04, the State's share of divisible Union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

Table 5.1

SI.	Particulars	1999-2000	2000-01	2001-02	2002-03	2003-04	
No.		(Rupees in crore)					
I.	Revenue raised by the State Government –			-			
	(a) Tax Revenue ^(a)	102.99	118.62	135.98	144.87	177.68	
	(b) Non-Tax Revenue	83.86	86.66	94.09	92.78	128.95	
	Total: I	186.85	205.28	230.07	237.65	306.63	
II.	Receipts from the Government of India –						
	(a) State's share of divisible Union taxes	341.76	164.20	164.83	176.11	225.08	
	(b) Grants-in-aid	415.04	762.68	728.48	875.17	867.12	
	Total: II	756.80	926.88	893.31	1051.28	1092.20	
Ш.	Total receipts of the State Government	943.65	1132.16	1123.38	1288.93	1398.83	
IV	Percentage of I to III	19.80	18.13	20.48	18.44	21.92	

The position of non-plan grants given to the State by the Government of India during the five year period ending March 2004 is as under:

Table 5.2

(Rupees in crore)

Year	Amount of Non-Plan grants
1999-2000	23.19
2000-01	320.31
2001-02	317.17
2002-03	407.74
2003-04	329.33

⁽a) Excluding share of net proceeds of taxes and duties assigned to State.

The share of non-plan grants during 2003-04 was 37.98 per cent of the total grants-in-aid received from the Government of India. Compared to 1999-2000, non-plan grants of the State increased by over 14 times mainly due to grants received by the State to cover deficit on non-plan revenue account (Rs.304.70 crore).

The details of tax revenue during the year 2003-04 along with the figures for the preceding four years are given below:

Table 5.3

(Rupees in crore)

Sl. No.	Head of Revenue	1999- 2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+) or decrease (-) in 2003-04 over 2002-03
1.(a)	Sales Tax	34.20	32.95	59.78	71.67	83.37	(+) 16
(b)	Central Sales Tax	19.33	31.76	21.11	15.53	26.76	(+) 72
2.	State Excise	39.51	41.09	41.69	44.95	52.80	(+) 17
3.	Stamps and Registration Fees	2.66	3.01	3.49	2.95	3.37	(+) 14
4.	Taxes and Duties on Electricity	0.02	0.46	0.01	0.02	0.03	(+) 50
5.	Taxes on Vehicles	3.79	4.66	4.72	4.62	5.52	(+) 19
6.	Taxes on Goods and Passengers	1.40	1.42	1.61	1.63	2.02	(+) 24
7.	Other Taxes on Income and Expenditure – Taxes on Professions, Trades, Callings and Employments	0.39	0.38	0.90	0.92	0.97	(+) 5
8.	Other Taxes and Duties on Commodities and Services	1.52	1.79	2.00	2.26	2.35	(+) 4
9.	Land Revenue	0.17	1.10	0.67	0.32	0.49	(+) 53
特别的	The Market Williams	102.99	118.62	135.98	144.87	177.68	是地震的高点學

Increase under serial 1 above was mainly due to more receipt under Central sales tax and taxes on sale of motor spirit and lubricants. Reasons for variations in receipts during 2003-04 over those of 2002-03 under the other heads of revenue had not been furnished (November 2004).

The details of the major non-tax revenue raised during the year 2003-04 along with the figures for the preceding four years are given below:

Table 5.4

(Rupees in crore)

							(<u>F</u>
Sl. No.	Head of revenue	1999- 2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+) or decrease (-) im 2003-04 over 2002-03
1.	Interest Receipts	8.38	9.26	5.26	4.66	5.61	(+) 20
2.	Dairy Development	0.66	0.71	0.97	1.09	1.18	(+) 8
3.	Forestry and Wild life	6.17	5.44	7.82	8.56	11.77	(+) 38
4.	Non-ferrous Mining and Metallurgical Industries	49.75	50.22	63.36	56.11	86.18	(+) 54
5.	Miscellaneous General Services (including lottery receipts)	1.10	1.15	0.57	6.18	8.55	(+) 38
6.	Education, Sports, Arts and Culture	0.42	0.55	0.62	0.76	0.80	(+) 5
7.	Medical and Public Health	0.33	0.33	0.41	0.55	. 0.62	(+) 13
8.	Co-operation	0.79	0.02	0.46	1.13	0.84	(-) 26
9.	Public Works .	3.57	3.62	4.16	3.63	3.66	(+) 1
10.	Police	1.08	1.89	1.41	1.53	1.42	(-) 7
11.	Other Administrative Services	5.23	1.10	4.11	3.41	0.91	(-) 73
12.	Other Agricultural Programme	0.90	0.42	0.32	0.72	0.69	(-) 4
13.	Crop Husbandry	1.90	2.33	1.71	1.40	1.57	(+) 12
14.	Animal Husbandry	1.29	1.10	1.04	1.09	1.23	(+) 13
15.	Others	2.29	8.52	1.87	1.96	3.92	(+) 100
		83.86	86.66	94.09	92.78	128.95	

Increase under the heads mentioned at serial 3, 4 and 5 was mainly due to more receipts on sale of timber, other forest produce, mineral concession fees, State lotteries, etc. Shortfall in receipts under the heads mentioned at serial 8, 10 and 11 was mainly due to less receipt of fees, fine, etc. Reasons for variations in receipts during 2003-04 over those of 2002-03 relating to other heads of revenue had not been furnished (November 2004).

5.1.2 Commitments made in budget speech

Following commitments made in the budget speech remained unfulfilled:

- (a) Documentation and inventorisation of State's valued natural resources, i.e., land including minerals and forests.
- (b) Granting of road permits to private operators for encouraging road transport services to interior places.

(c) Close co-ordination between the Transport Department and the Taxation Department for strict enforcement of Goods and Passengers Tax.

To mobilise additional resources during 2003-04 it was committed in the budget speech that driving licence fee for all categories of licences and registration fee for all categories of motor vehicles would be enhanced by 15 per cent. But no action was initiated for fulfilment of these commitments (November 2004).

5.1.3 Variations between Budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2003-04 in respect of the principal heads of tax and non-tax revenue are given below:

Table 5.5 (Rupees in crore)

Sl. No.	Head of Revenue	Budget estimates	Actuals	Variations excess (+) or shortfall (-)	Percentage of variation
1.	Sales Tax	96.00	110.13	(+) 14.13	15
2.	State Excise	71.00	52.80	(-) 18.20	26
3.	Stamps and Registration Fees	3.90	3.37	(-) 0.53	14
4.	Taxes and Duties on Electricity	0.30	0.03	(-) 0.27	90
5.	Taxes on Vehicles	5.96	5.52	· (-) 0.44	7
~ 6.	Forestry and Wildlife	8.70	11.77	(+) 3.07	35
7.	Non-ferrous Mining and Metallurgical Industries	82.30	86.18	(+) 3.88	5

The Taxation Department stated (November 2004) that excess collection was due to increase in number of dealers and upward revision of rates of taxes on certain items. Reply in other cases, though called for (October 2004), had not been received (November 2004).

5.1.4 Cost of collection

The gross collection under principal revenue receipt heads, expenditure incurred on collection and percentage of such expenditure to gross collection during the years 2001-02 to 2003-04 along with all India average percentage of expenditure on collection to gross collection for 2002-03 were as under:

Table 5.6

(Rupees in crore)

Sl. No.	Head of Revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year 2002-03
1.	Sales	2001-02	80.89	2.34	2.89	-
	Tax	2002-03	87.20	2.36	2.71	1.18
	-	2003-04	110.13	2.48	2.25	-
2.	State	2001-02	41.69	3.00	7.20	-
	Excise	2002-03	44.95	2.99	6.65	2.92
-]	2003-04	52.80	Not available	<u> </u>	-
3.	Taxes on	2001-02	4.72	2.53	53.60	
	Vehicles	2002-03	4.62	2.00	43.29	2.86
		2003-04	5.52	1.78	32.25	

It is evident that the costs of collection under the above mentioned heads of revenue were much higher than the all India average.

5.1.5 Collection of sales tax per assessee

Table 5.7

(Rupees in crore)

Year	Number of assessees	Sales Tax revenue	Revenue/assessee
1999-2000	5,369	53.52	0.01
2000-01	5,442	64.71	0.01
2001-02	5,875	80.89	0.01
2002-03	5,883	87.20	0.01
2003-04	14,696	110.14	0.01

It would be observed that the revenue per assessee over the last five years remained constant.

5.1.6 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2003-04, cases due for assessment during the year and cases pending finalisation at the end of the year 2003-04 as furnished by the department in respect of sales tax, purchase tax, taxes on motor spirits are as under:

Table 5.8

Names of tax	Opening balance of cases for pending assessments	Cases due for assessments during the year	Total assessments due	Cases finalised during the year	Balance cases pending at the end of the year	Percentage of column 5 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sales Tax/Central Sales Tax	65,128	25,707	90,835	7,953	82,882	9
Purchase Tax	14,588	7,012	21,600	2,326	19,274	11
Motor Spirits Tax	2,506	640	3,146	244	2,902	8
Total	82,222	33,359	1,15,581	10,523	1,05,058	9

It would appear from above that the percentage of final assessments ranged from 8 to 11 per cent of the total assessments due up to 2003-04. The Government had not fixed any norm quantifying the number of assessments to be completed by each Assessing Officer during a particular period.

5.1.7 Arrears of revenue

The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs.24.68 crore, of which Rs.23.47 crore was outstanding for more than five years as detailed in the table below:

Table 5.9

(Rupees in crore)

Serial number	Head of Revenue	Amount outstanding as on 31 March 2004	Amount outstanding for more than five years as on 31 March 2004
1.	Sales Tax	9.70	9.70
2.	Motor Spirits	2.63	1.98
3.	Electricity Duty	1.80	1.80
4.	Amusement and Betting Tax	1.10	1.10
5.	Passengers and Goods Tax	0.03	0.03
6.	Geology and Mining	7.83	7.83
7.	Forest and Environment	1.59	1.03
	Total	24.68	23.47

Particulars of arrears of revenue as on 31 March 2004 relating to State excise and motor vehicles taxes, though called for (October 2004), have not been received (November 2004).

5.1.8 Results of audit

Test-check of records of sales tax, state excise, motor vehicles tax, other tax receipts, forest receipts and other non-tax receipts conducted during the year

2003-04 revealed under-assessment/short/non-levy/loss of revenue amounting to Rs.382.58 crore in 433 cases. During the course of the year the departments accepted under-assessments, short/non-levy/loss of revenue of Rs.16.97 crore in 78 cases pointed out during 2003-04 and in earlier years, and recovered Rs.0.31 crore. Reply had not been received in respect of the remaining cases.

This chapter contains 29 paragraphs involving Rs.276.79 crore. The departments/Government have accepted 10 cases involving Rs.3.20 crore of which Rs.0.26 crore had been recovered up to November 2004 and six cases involving Rs.22.95 crore had not been accepted. Reply had not been received (November 2004) in other cases.

5.1.9 Failure of senior officials to enforce accountability and protect interest of Government

Accountant General (Audit) Meghalaya, Arunachal Pradesh and Mizoram, Shillong conducts periodic inspection of various offices of the Government departments to test-check the correctness of assessments, levy and collection of tax and non-tax receipts, and verify the maintenance of accounts and records as per Acts, Rules and procedures prescribed by the Government. These inspections are followed by Inspection Reports (IRs) issued to the heads of offices inspected with copies to the next higher authorities. Serious irregularities noticed in audit are also brought to the notice of the Government/Head of the Department by the Office of the Accountant General (Audit) Meghalaya, Arunachal Pradesh and Mizoram, Shillong. A half-yearly report regarding pending inspection reports is sent to the Secretaries of the concerned Government departments to facilitate monitoring and settlement of audit observations raised in these IRs through intervention of the Government.

IRs issued up to December 2003 pertaining to offices under sales tax, State excise, land revenue, motor vehicles tax, passengers and goods tax, other taxes, forest, geology and mining departments disclosed that 609 observations relating to 168 inspection reports involving money value of Rs.556.84 crore remained outstanding for settlement at the end of June 2004. Of these, 64 inspection reports containing 160 observations involving money value of Rs.13.75 crore had not been settled for more than five years. The year-wise position of old outstanding inspection reports and paragraphs is given in Appendix XXXI.

In respect of 96 observations relating to 29 inspection reports involving money value of Rs.362.30 crore issued up to March 2004, even first reply required to be received from the Department/Government had not been received (November 2004).

Report regarding position of old outstanding IRs/observations was reported to the Government in July and August 2004; their reply had not been received (November 2004).

5.1.10 Departmental Audit Committee Meetings

Two hundred fifty-eight outstanding audit observations relating to 100 old IRs involving money value of Rs.38.55 crore relating to Taxation Department were discussed in the Audit Committee Meeting held in October – December 2003. Of these, 198 paragraphs and 45 IRs involving money value of Rs.27.66 crore were settled. The remaining outstanding cases could not be settled for want of follow up action by the department/Government.

5.1.11 Response of the Departments to Draft Paragraphs

The draft paragraphs are forwarded to the Secretaries of the concerned departments through demi official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments is invariably indicated at the end of each such paragraph included in the Audit Report.

Out of 29 audit paragraphs included in this chapter, the Secretaries of the concerned departments did not send replies to 13 paragraphs in compliance to the request (June to August 2004) of Audit (November 2004). As such these paragraphs have been included without the response of the Government.

5.1.12 Follow up on Audit Report - Summarised position

To ensure accountability of the executive in respect of all the issues dealt with in the various Audit Reports, the Public Accounts Committee (PAC) issued instructions in July 1993 for submission of *suo motu* replies by the concerned Departments from 1986-87 onwards. As regards submission of Action Taken Notes (ATN) on the recommendations of the PAC to the Assembly, the Committee specified the time frame as six weeks up to 32nd Report and six months in the 33rd Report.

Review of outstanding ATNs as of November 2004 on paragraphs included in the Reports of the Comptroller and Auditor General of India disclosed as under:

(i) The Departments of the State Government had not submitted *suo motu* explanatory notes on 140 paragraphs of Audit Reports for the years from 1992-93 to 2002-03 in respect of revenue receipts.

Table 5.10

Year of Audit Report	Date of presentation of the Audit Report to the Legislature	Number of para- graphs/ reviews included in the Audit Report		Number of paragraphs/reviews for which suo motu replies are awaited	
		Para- graphs	Reviews	Para- graphs	Reviews
1992-93	16 September 1994	6		6	•••
1993-94	08 September 1995	- 8	•••	8	•••
1994-95	29 September 1996	~10		4	
1995-96	07 April 1997	14	2	. 3	2
1996-97	12 June 1998	21	1	18	1 .
1997-98	09 April 1999	. 8	. 1	• 1	
1998-99	12 April 2000	8	1	8	1
1999-2000	07 December 2001	23	2	23	2
2000-01	01 April 2002	20	1 .	20	1
2001-02	20 June 2003	25		11	
2002-03	11 June 2004	30	1 .	30	1
Total		173	9	132	8

(ii) The departments failed to submit ATN on 29 paragraphs out of 30 paragraphs pertaining to revenue receipts for the years from 1982-83 to 1997-98 on which recommendations had been made by PAC in their 16th to 33rd Reports presented before the State Legislature between December 1988 and June 2000, as detailed below:

Table 5.11

Year of Audit Report	Number of paragraphs on which recommendations were made by PAC but ATNs are	Number of PAC Report in which recommendations	
	awaited	were made	
1982-83	2	16 th	
1984-85	9	. 26 th	
	9	19 th	
1987-88	1	26 th	
1988-89	1	20 th	
1989-90	1	20 th	
1990-91	11	26 th	
	.11	20 th	
1991-92		26 th	
	3	20 th	
1997-98	1	33 rd	
Total	29		

Thus, failure by the respective departments to comply with the instructions of the PAC, defeated the objective of ensuring accountability of the executive.

PARAGRAPHS

EXCISE DEPARTMENT

5.2 Loss of revenue due to erroneous exemption of excise duty

Erroneous exemption of excise duty on 18,000 cases of spirit imported for use in manufacture of India Made Foreign Liquor led to loss of revenue of Rs.90 lakh.

Under the Meghalaya Excise Act and Rules framed thereunder, excise duty is realisable at the rate of Rs.500 per case of India Made Rectified Spirit (IMRS) and alcohol imported for use in manufacture of India Made Foreign Liquor (IMFL) with effect from June 1999. However, the Government exempted the excise duty on IMRS imported for use in manufacture of IMFL from 14 January 2000.

Test-check of records of the Commissioner of Excise, Shillong revealed that a local manufacturer of IMFL imported 18,000 cases of Extra Natural Alcohol (ENA) between September 2002 and May 2003 for use in manufacture of IMFL. As excise duty on imported IMRS only other than ENA was exempted with effect from 14 January 2000, excise duty on 18,000 cases of imported ENA should have been levied and collected but this was not done. This erroneous exemption resulted in loss of revenue of Rs.90 lakh.

After this was pointed out in audit, the Department while admitting the facts stated between May and September 2004 that the Government was moved for modification of notification dated 14 January 2000 but modification in this regard has not been made by the Government (September 2004).

The case was reported to the Government in September 2003 and August 2004; reply had not been received (November 2004).

5.3 Loss of revenue

Failure of the Department to initiate action for recovery of excise duty on 16,864 cases of IMFL/Beer from two licencees of bond led to loss of revenue of Rs.72.18 lakh.

Under the Assam Bonded Warehouse Rules, 1965 (as adopted by the Government of Meghalaya) the stock of IMFL/Beer in a closed bond shall be taken over by the Commissioner of Excise for recovery of excise duty either from the licencee or by sale through auction. Further, every bond shall be under joint lock and key system, i.e., one key with the licencee and the other with the Excise Officer of the bond. The Superintendent of Excise or the Excise Officer of a bond shall conduct physical verification of stock of IMFL/Beer on the last day of March, June, September and December of each year. In case if any quantity of IMFL/Beer is found short and if the licencee fails to account for such shortage to the satisfaction of the Commissioner of Excise (CE) he shall pay to the Government excise duty on that quantity.

- (a) Test-check of records of the CE, Shillong revealed that a Shillong based bond was closed in July 2002 with a stock of 15,952 cases of IMFL/Beer as per the excise register. The Department took over the stock in July 2002 and conducted physical verification in August 2002 when only 3,646 cases of IMFL/Beer were found in stock. No action was initiated to recover the excise duty on the quantity of 12,306 cases of IMFL/Beer found short. Thus, failure of the Department to initiate action as envisaged in the Rules, *ibid*, led to loss of revenue of Rs.66.83 lakh.
- (b) Similarly, a Khanapara based bond was closed since 1999. The physical verification of stock was neither conducted nor was the stock taken over immediately after closure of the bond. However, the Excise Officer of the bond verified (November 2001) the stock and reported (January 2002) that 912 cases of IMFL involving excise duty of Rs.5.35 lakh were missing. In August 2002, the Excise Officer submitted another report wherein he contradicted his earlier report by stating that the quantity reported missing in January 2002 was found intact but unfit for human consumption. Based on chemical analysis reports declaring the IMFL unfit, the Department destroyed the entire quantity in October 2002. Thus, failure to verify the stock at regular intervals and delay in taking over the stock of this closed bond led to loss of revenue of Rs.5.35 lakh.

In reply, the Government while admitting facts stated in October 2004 that the proprietor of bond at 'a' was served with notice for payment of dues. In respect of 'b' it was stated that even if timely stock taking as stated by audit was done, sedimentation could not be prevented. The reply is not tenable as

early stock taking would have led to early disposal of the liquor before sedimentation.

5.4 Short-realisation of excise duty

Realisation of excise duty of Rs.1 lakh against Rs.31.75 lakh led to short-realisation of excise duty of Rs.30.75 lakh.

Under Section 35 of the Assam Excise Act, 1910 (as adopted by the Government of Meghalaya) all excise revenue including any loss that may accrue due to default by any person shall be recovered from the person primarily liable to pay the same either by sale of his moveable property or as an arrear of land revenue.

Test-check of records of the Commissioner of Excise (CE), Shillong revealed that the Government of Meghalaya, Excise Department directed (June 1998) the CE, Shillong to realise excise duty of Rs.31.75 lakh within six months from the licencee of a Nongpoh based bonded warehouse as he failed to furnish the account of India Made Foreign Liquor imported against permits. But the CE recovered only Rs.1 lakh in March 2000 and the balance amount of Rs.30.75 lakh was not recovered without any recorded reason. Thus, failure to initiate any action as per the provision of the Act *ibid*, resulted in short-realisation of excise duty of Rs.30.75 lakh.

After this was pointed out in September 2003 in audit the CE, Shillong stated (September 2004) that demand notice was served on the proprietor of the bond for payment of dues. The report on recovery has not been received (September 2004).

The case was reported to the Government in September 2003 and August 2004; their reply had not been received (November 2004).

5.5 Loss of revenue due to non-realisation of share of licence fee from owners of country spirit vends under local chiefs

Failure to realise 50 per cent share of licence fee from the owners of 466 country spirit vends under the local chiefs led to loss of revenue of Rs.26.80 lakh.

The Government of Meghalaya, Excise, etc. Department through notification (July 1975) appointed the Syiems, Lyngdohs and other local Chiefs as Excise Officers and authorised them to issue licence for manufacture and sale of country spirit within their respective 'elakas' (territories). It was further instructed (July 1975) that 50 per cent licence fee collected from the licences by the Syiems, Lyngdohs and local Chiefs could be retained by them and the balance 50 per cent should be deposited with the Government.

Test-check of records of the Commissioner of Excise, Shillong revealed that 466 manufacturers cum sellers of country spirit were functioning under the jurisdiction of five Syiems, two Lyngdohs and two Sirdars in East Khasi Hills District since April 1997. However, 50 per cent of licence fee payable to Government for the period between April 1997 and March 2004 was neither paid by the aforesaid local Chiefs nor was any action initiated by the Department to realise the same. Thus, failure of the Department to realise 50 per cent licence fee from these local Chiefs led to loss of revenue of Rs.26.80 lakh.

After this was pointed out in September 2003 in audit, the Department while admitting the facts stated in August 2004 that demand notices were served on the local Chiefs to deposit the dues. The report on recovery has not been received (November 2004).

The matter was reported to the Government in September 2003, June and July 2004; reply had not been received (November 2004).

5.6 Loss of revenue due to non-realisation of licence fee

Failure of the Department to realise licence fee before cancellation of three licences led to loss of revenue of Rs.2.27 lakh.

Under the Assam Excise Act, 1910 and Rules framed thereunder (as adopted by the Government of Meghalaya), every licencee dealing in India Made Foreign Liquor (IMFL) shall renew his licence on payment of the prescribed

licence fee in advance. Further, no licencee shall be allowed to function unless the licence is renewed on payment of the prescribed licencee fee in advance.

Test-check of records of the Commissioner of Excise (CE), Shillong revealed that the owner of a bonded warehouse of Shillong renewed licence up to March 2001 on payment of the prescribed licence fee in advance. However, on expiry of the validity period, the owner did not renew the licence but continued to operate. The Department cancelled (July 2002) the licence of the bond without realising the prescribed licence fee. This resulted in a loss of revenue of Rs.1.05 lakh.

Similarly, test-check of records of the Superintendent of Excise, Jowai revealed that two retail vends did not renew their licences for different periods between April 2002 and March 2004 but the Department did not initiate any action to realise the licence fee. Further scrutiny revealed that both the licencees closed down their business and were not traceable. Thus, inaction on the part of the Department resulted in a loss of revenue of Rs.1.22 lakh.

After this was pointed out, the Government stated in October 2004 that licences were cancelled in these cases as the licencees failed to pay the renewal fee. Further, to safeguard the revenue on licence fee Government is contemplating to increase security deposit from Rs.2,000 and Rs.5,000 to Rs.1 lakh and Rs.5 lakh in case of retail and bond licences respectively. The notification in this regard has not been issued.

FOREST AND ENVIRONMENT DEPARTMENT

5.7 Unauthorised lifting of timber

5060.084 cum of timber was unauthorisedly allowed to be lifted by Meghalaya Forest Development Corporation on part payment of Rs.58.75 lakh against full royalty of Rs.1.60 crore.

Under the Meghalaya Forest Regulation, 1973 no forest produce shall be extracted/lifted from forest area unless written permission is granted by the Forest Department and the prescribed royalty is realised in full.

Test-check of records of the Divisional Forest Officer, Tura revealed that the Forest Development Corporation of Meghalaya (FDCM) was allowed to lift

timber of mixed species measuring 5060.084 cum on part payment of royalty of Rs.58.75 lakh against full royalty of Rs.1.60 crore between February 2001 and April 2003. The balance royalty of Rs.1.01 crore was neither paid by the FDCM nor was any action initiated by the Forest Department to realise the same as required under the Forest Act. This led to unauthorised lifting of timber.

The matter was reported to the department and the Government in December 2003 and August 2004; their reply had not been received (November 2004).

5.8. Loss of revenue

Non-inclusion of clause regarding the quantity of *phul-jharu* to be extracted during operation period of *mahal* in the agreement led to loss of revenue of Rs.22.45 lakh.

Under the Assam Settlement of Forest Coupes and *Mahals* by Tender or Auction System Rules, 1967 (as adopted by the Government of Meghalaya), forest *mahals* are settled through notice inviting tender/agreement wherein the stipulated quantity of forest produce to be extracted during the operation period of *mahals* shall be included.

Test-check of records of the Divisional Forest Officer, Tura revealed that the Government of Meghalaya, Forest and Environment Department settled (December 2002) *phul-jharu mahals* of Garo Hills with the Forest Development Corporation of Meghalaya (FDCM) at a lump sum of Rs.0.35 lakh for the working period between July 2002 and June 2003 without including any clause regarding the stipulated quantity of *phul-jharu* to be extracted during the working period of *mahals*. However, the FDCM extracted and sold 7.50 lakh kilograms of *phul-jharu* outside the state from the *mahals*, the royalty value inclusive of export fee of which was Rs.22.88 lakh and paid only Rs.0.43 lakh (lump sum: Rs.0.35 lakh + export fee: Rs.0.08 lakh). Thus, failure to include the quantity clause in the settlement order as required under the rules *ibid*, led to loss of revenue of Rs.22.45 lakh.

The case was reported to the department and the Government in December 2003 and August 2004; their reply had not been received (November 2004).

5.9 Short realisation of royalty due to application of incorrect rate

Incorrect application of rate on 55727.82 cum of stone resulted in short realisation of royalty of Rs.22.29 lakh.

Under the Meghalaya Forest Regulation (Application and Amendment) Act, 1973, the Government of Meghalaya, Forest and Environment Department in their notification of 12 November 1998 revised the rate of royalty on stone from Rs.40 to Rs.80 per cum with effect from 12 November 1998.

Cross check of records of the Executive Engineer (EE), Public Works Department (PWD) (Roads), North Eastern Council (NEC) Division, Jowai disclosed that 55727.82 cum of stone was extracted and utilised by the contractors for execution of works between June 2000 and March 2001. However, the EE deducted royalty of Rs.22.29 lakh at pre-revised rate from the contractors' bills instead of Rs.44.58 lakh at revised rate. The differential royalty was neither collected by the EE, PWD (Roads), NEC Division, Jowai nor was any action initiated by the Divisional Forest Officer, Jowai to recover the same. This resulted in short realisation of royalty of Rs.22.29 lakh.

After this was pointed out in December 2003 in audit the Government stated in November 2004 that the revised rate of royalty could not be deducted at source by the user agency as the old rate of royalty was mentioned in the agreements for recovery from the contractors. Government further stated that Divisional Forest Officers were instructed to recover the differential royalty from the contractors. Report on recovery has not been received (November 2004).

5.10 Unauthorised extraction of forest produce without payment of royalty

Extraction of 6234.82 cum of sand and 10343.79 cum of stone without permit led to non-realisation of royalty of Rs.10.15 lakh.

Under the Meghalaya Forest Regulation (Application and Amendment) Act, 1973 no forest produce shall be extracted/removed from a forest area unless a permit/pass is granted by the Forest Officer on realisation of royalty in full.

Cross check of records of the North Eastern Hill University (NEHU), Shillong revealed that two contractors extracted and utilised 6234.82 cum of sand and 10343.79 cum of stone for construction of NEHU's building during April 2000 to September 2003 without obtaining any permit/pass and without payment of royalty as required under the Act, *ibid*. The royalty on the aforesaid quantity of sand and stone was neither collected by the NEHU authority nor was any action initiated by the Forest Department to realise the royalty from these contractors. This led to un-authorised extraction of forest produce without payment of royalty of Rs.10.15 lakh.

After this was pointed out between January and June 2004, the Government stated in November 2004 that steps were being taken to recover the dues. Report on recovery has not been received (November 2004).

MINING AND GEOLOGY DEPARTMENT

5.11 Short realisation of royalty due to delay in implementation of revised rate of royalty

Delay in implementing the revised rate of royalty from Rs.120 per MT to Rs.165 per MT led to short realisation of royalty of Rs.18.56 crore on 41.23 MT of coal.

Under Section 9 (3) of the Mines and Minerals (Development and Regulations) Act, 1957 the Government of India is empowered to enhance/reduce the royalty on any mineral by issue of notification in the official gazette with effect from such date as may be specified in the notification. This has been upheld by the Hon'ble Apex Court and the Hon'ble Gauhati High Court on numerous occasions (a).

State of Madhya Pradesh Vs Mahalaxmi Fabrics Mills Ltd., and others.

⁽a) West Khasi Hills Coal Owners and Producers Association Vs Government of Meghalaya (1995) 258/95-40(SH)/95.

The Government of India, Ministry of Coal and Mines enhanced (August 2002) the rate of royalty on run of mine coal from Rs.120 to Rs.165 per Metric Tonne (MT) with effect from 16 August 2002. However, the Government of Meghalaya, Mining and Geology Department notified (May 2003) the applicability of the revised rates of royalty within the state with effect from 2 June 2003.

Test-check of records of the Director of Mineral Resources (DMR), Meghalaya, Shillong disclosed that royalty of Rs.49.47 crore was realised at pre-revised rate of Rs.120 per MT against Rs.68.03 crore at revised rate of Rs.165 per MT for sale of 41.23 lakh MT of run of mine coal during the period 16 August 2002 to 01 June 2003. Thus, inordinate delay on the part of the State Government to implement the revised rate of royalty from 2 June 2003 instead of 16 August 2002 resulted in short-realisation of royalty of Rs.18.56 crore.

After this was pointed out in audit the Government stated in September 2004 that the revised rate of royalty was implemented from 2 June 2003 due to (i) late receipt of Government of India's order of 16 August 2002, (ii) pressure from various trade organisations and (iii) strike of the truck owners. The reply is not tenable as the Government of India's order of 16 August 2002 was received in time by the Government of Meghalaya, Taxation Department from where it was collected belatedly by the DMR Shillong in April 2003. Further, as per the provision of the Act, the Government of India is competent for fixing the rate of royalty whereas State Government is to collect and appropriate the revenue. Wilful deferment of the collection of enhanced rate of royalty adversely affected the revenue, apart from giving undue benefit to the private producer/trader.

5.12 Short/non realisation of royalty/dead rent/interest/penalty

Realisation of dead rent of Rs.1 lakh only against royalty inclusive of cess and dead rent of Rs.51.91 lakh from three lessees led to short/non-realisation of royalty, cess and dead rent of Rs.50.91 lakh besides, non-levy of interest and penalty of Rs.1.18 crore.

Under Section 9-A of the Mines and Minerals (Development and Regulation) Act, 1957, a lessee is liable to pay either the prescribed royalty on any mineral removed/consumed or dead rent in respect of the leased area whichever is greater. Further, Rule 64-A of the Mineral Concession Rules, 1960 provides that in case the dues payable by a lessee are not paid to the State Government within the time specified for such payment, simple interest at the prescribed rate shall be charged on any amount of dues remaining unpaid from the

sixtieth day of the expiry of the date fixed for payment of such dues. In Meghalaya, cess on limestone is payable at Rs.5 per Metric Tonne (MT) with effect from April 1992.

The Government of Meghalaya executed three mining lease agreements with lessees 'A' 'B' and 'C' on 23 December 1988, 17 January 1986 and 27 November 1990 respectively for extraction of limestone from Tohsniang/Latyrke, Darrang Era Aning and Siju Damukgittim comprising areas of 11.83, 86 and 384 hectares of land respectively. The terms and conditions of these agreements stipulated that the lessees should pay either royalty on mineral removed/consumed or dead rent in respect of the leased areas whichever is greater within July and January for every half year ending June and December each year. Further, in the event of failure to pay the dues despite notices, the lessees should be liable to pay penalty not exceeding twice the amount of dues remaining unpaid.

- (a) Cross check of records of the Registrar of Companies, Shillong with those of the Director of Mineral Resources (DMR), Shillong disclosed that the lessee 'A' extracted 1.24 lakh MT of limestone involving royalty of Rs.39.36 lakh for manufacture of cement between April 1998 and March 2002 and paid dead rent of Rs.0.10 lakh only. As the royalty (Rs.39.36 lakh) in this case was greater than the dead rent (Rs.0.10 lakh), the lessee was liable to pay royalty including cess and not dead rent. Thus, realisation of dead rent instead of royalty resulted in short/non-realisation of royalty of Rs.45.46 lakh inclusive of cess. Besides, for non-payment of balance royalty (Rs.39.26 lakh) interest of Rs.12.84 lakh and maximum penalty of Rs.90.92 lakh was leviable but not levied.
- (b) Further, the remaining two lessees 'B' and 'C' did not extract limestone from the leased areas. As such, these lessees were liable to pay dead rent of Rs.6.35 lakh for the period from April 1998 to December 2002 against Rs.0.90 lakh paid belatedly. The balance dead rent of Rs.5.45 lakh was not paid by these lessees and no action was initiated by the Department to realise the dues till the date of audit (April 2003). Thus, for belated and non-payment of balance dead rent, interest of Rs.3.22 lakh and maximum penalty of Rs.10.90 lakh was realisable but not realised.

The cases were reported to the Department and the Government in June 2003 and July 2004; reply had not been received (November 2004).

5.13 Non/Short realisation of royalty and penalty

Non/short realisation of royalty inclusive of penalty of Rs.1.51 crore on 1.21 lakh MT of excess coal despatched through four mineral check gates.

The Director of Mineral Resources, Meghalaya, Shillong notified (September 1995) that if any coal trader fails to pay full royalty in advance on the quantity of coal transported in his carrier, penalty at the prescribed rates should be collected at the Mineral check gates in addition to the royalty on the quantity of coal on which advance royalty was not paid.

- (a) Test-check of records of three Mineral check gates^(c) functioning under the Director of Mineral Resources, Meghalaya, Shillong disclosed that 23.36 lakh Metric Tonne (MT) of coal was despatched outside the State on payment of prescribed royalty and penalty on different dates between October 2000 and February 2003. However, records of the Taxation check gates functioning under the Commissioner of Taxes and located at the same exit points revealed that 24.31 lakh MT of coal was actually despatched outside the State on payment of prescribed security (advance tax) during the aforesaid period. Thus, despatch of excess quantity of 0.95 lakh MT of coal outside the State escaped the notice of the authorities of Mineral check gates resulting in short realisation of royalty including penalty of Rs.1.43 crore.
- (b) Test-check of records in Dainadubi Mineral Check Gate under the DMO, Williamnagar revealed that 9075 trucks after depositing Rs.1.63 crore as advance royalty to transport 1.36 lakh MT of coal, actually transported 1.62 lakh MT of coal during April and May 2001. The balance royalty of Rs.31.54 lakh on 0.26 lakh MT of coal was collected at the check gate during the aforesaid period. But penalty of Rs.7.88 lakh for non-payment of advance royalty though leviable in terms of the notification *ibid*, was not levied.

The cases were reported to the Department/Government in June, September and December 2003 and July 2004; reply had not been received (November 2004).

⁽c) Byrnihat, Mookyndur and Umkiang.

5.14 Unauthorised extraction of limestone without payment of royalty and cess

Failure of the Department to detect unauthorised extraction of 2.59 lakh MT of limestone by seven firms led to non-realisation of royalty of Rs.1.05 crore including cess, besides, penalty of Rs.1.75 lakh.

Sections 4(1) and 4(1-A) of the Mines and Mineral (Development and Regulation) Act, 1957 provides that no person shall undertake any mining operation in any area or transport or store any mineral unless a prospecting licence or lease is granted by the State Government. Further, the Government of Meghalaya, Mining and Geology Department notified (May 1997 and September 2000) that royalty on limestone shall be paid at Rs.32 and Rs.40 per Metric Tonne (MT) with effect from 11 April 1997 and 12 September 2000 respectively. Besides, cess at Rs.5 per MT was also leviable from 1 April 1992. Further, under Section 21(1) of the Act, whoever violates the provision of Section 4(1) or 4(1-A) shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to Rs.25,000 or with both.

Cross check of records of the Hindustan Paper Corporation, Panchgram and Jagiroad (Assam) and the Registrar of Companies, Shillong disclosed that six firms extracted and supplied 1.59 lakh MT of Meghalaya lime to this Corporation. Another Garo Hills based firm extracted and utilised one lakh MT of limestone for manufacture of cement in his factory for the period from April 1997 to March 2002. But as per the records of the Director of Mineral Resources, Meghalaya, Shillong no prospecting licence or lease was granted to any of these seven firms for extraction/sale/use of limestone from any area of the State and no action was initiated by the Department to realise royalty and cess for such unauthorised extraction of limestone (2.59 lakh MT). This resulted in unauthorised extraction of limestone without payment of royalty and cess of Rs.1.05 crore. Besides, maximum penalty of Rs.1.75 lakh was to be levied but not levied.

The matter was reported to the department and the Government in June 2003 and August 2004; their reply had not been received (November 2004).

5.15 Short deposit of revenue

Unauthorised adjustment of Government dues towards Bank charges led to short deposit of revenue of Rs.2.67 lakh.

Under the Meghalaya Finance Rules, Government revenue shall be directly deposited into the Consolidated Fund (CF) of the State through treasury *challan* either by the Government Officer who receives such dues or by the person who tenders such dues. Further, the Constitution of India provides that no money out of the Consolidated Fund of the State shall be appropriated except in accordance with the law enshrined in the Constitution.

Test-check of records of Mineral Check Gates, Dawki and Umkiang under the Divisional Mining Officer, Jowai revealed that a total revenue of Rs.14.14 crore collected at these check gates was deposited into the State Bank of India (SBI) branches there during April 2001 to March 2003 instead of depositing directly into the CF of the State as required under the Rules *ibid*. Subsequently, Rs.14.11 crore was credited into the CF of the State through 275 treasury *challans* by withdrawing the entire amount of Rs.14.14 crore from the Bank through 275 demand drafts during the aforesaid period. The differential revenue of Rs.2.67 lakh was adjusted by the Bank towards service charges for these drafts without any authority. This had not only resulted in unauthorised adjustment of Government revenue but also led to short deposit of revenue of Rs.2.67 lakh.

After this was pointed out in February 2004 the Government stated in March 2004 that current account was opened in SBI with the concurrence of Finance Department for depositing the revenue. The reply is not tenable as the procedure is violative of the Meghalaya Financial Rules.

TAXATION DEPARTMENT

5.16 Non-levy of interest

Interest of Rs.7.01 crore due from five dealers could not be recovered due to non-inclusion of up-to-date interest in the requisition sent to the Bakijai Officer.

Under Section 36(3) of the Meghalaya Sales Tax Act, where a dealer is in default, the amount due shall be recoverable as an arrear of land revenue. The

Act further provides that where an order is passed under the provision of the Act *ibid* in respect of any dues, any interest related to the same dues up to the date of such order and any further interest accruing after such date shall also be recovered in the course of proceedings initiated in accordance with the provision of the Act *ibid* in respect of the said dues.

Test-check of records of the Superintendent of Taxes, Purchase Tax Circle, Shillong disclosed that an amount of Rs.4.25 crore in respect of five dealers pertaining to the period from April 1994 to March 1997 was included in the requisitions sent (between February 2002 and November 2002) to the Bakijai Officer (BO) to recover the amount as an arrear of land revenue without incorporating their up-to-date interest leviable thereon up to the date(s) of referring the cases to the BO. The interest of Rs.7.01 crore leviable in these cases became irrecoverable due to non-inclusion of the amount in the requisitions sent by the assessing officer.

After this was pointed out between March and August 2004 the Government stated in November 2004 that the matter was under examination. Further reply has not been received (November 2004).

5.17 Short realisation of additional security

Failure of the officers in-charge of the Taxation check gates to detect actual quantity of coal carried in excess of 15 MT per truck led to short realisation of additional security (advance tax) of Rs.3.80 crore.

In Meghalaya, security (advance tax) for sale of coal in course of inter-State trade or commerce is fixed (February 1999) at Rs.1,200 per truck carrying 15 Metric Tonnes (MT) of coal. Further, the Commissioner of Taxes Meghalaya, Shillong notified (September 2000) that coal traders carrying coal in excess of 15 MT per truck in course of inter – State trade or commerce shall pay at the check gate additional security (advance tax) on the excess quantity at the rate of Rs.80 per MT with effect from 1 October 2000.

Test-check of records of three Taxation check gates under the Superintendents of Taxes, Byrnihat, Williamnagar and Jowai revealed that advance tax on 3.38 lakh MT of coal carried in excess of the permissible limit of 15 MT of coal per truck, was realised in these check gates during different periods between October 2000 and March 2003. However, as seen from the records of Mineral check gates functioning in the same locations under the Director of Mineral Resources for collection of coal royalty, 2,18,073 trucks carried 8.13 lakh MT of coal in excess of the permissible limit of 15 MT of

^{*} Byrnihat, Dainadubi and Umkiang

coal per truck during the same period. Thus, failure of the authorities of these Taxation check gates to detect the differential quantity of 4.75 lakh MT of excess coal transported in these trucks resulted in short—realisation of advance tax of Rs.3.80 crore.

The Taxation and Mining and Geology Departments did not prescribe any procedure to reconcile the information available with one another in the best interest of the State.

After this was pointed out between September and December 2003 the Government stated *inter alia* (September 2004) that huge quantity of coal crossed the Taxation check gates in course of export outside the country where no tax was leviable. The reply is not tenable as the coal exported outside the country is not included in these cases as contended.

5.18 Concealment of turnover

Thirteen registered dealers concealed turnover of Rs.6.41 crore and evaded tax of Rs.75.44 lakh besides maximum penalty of Rs.1.13 crore.

Under Section 21(C) of the Meghalaya Sales Tax Act, if any dealer conceals the particulars of his turnover or deliberately furnishes inaccurate particulars in his return, he shall be liable to pay penalty, in addition to the tax payable by him, of a sum not exceeding one and a half times of the tax due. This provision of the State Act applies *mutatis mutandis* in case of assessment/reassessment under the Central Sales Tax Act, 1956.

- (a) Cross check of records of the Director of Mineral Resources, Shillong and the Superintendent of Taxes, Jhalukbari, Assam with those of the Superintendent of Taxes, Circle-5, Shillong disclosed that two dealers sold coal valued at Rs.8.82 crore in course of inter-State trade or commerce between April 1999 and March 2002. The dealers disclosed turnover of only Rs.4.59 crore and were assessed accordingly on different dates between October 1999 and June 2002. They had concealed turnover of Rs.4.23 crore and evaded tax of Rs.33.82 lakh. Further, maximum penalty of Rs.50.73 lakh leviable for such wilful concealment of turnover had not been levied.
- (b) Similarly, cross check of records of the Industries Department, Meghalaya, Shillong, the Taxation Check Gate, Umkiang and the Hindustan Paper Mills, Jagiroad and Panchgram, Assam with those of the Purchase Tax Circle, Shillong revealed (December 2002 and January 2004) that four dealers

sold taxable goods valued at Rs.8.79 crore in course of inter-State trade during different periods between April 1994 and March 2001 but disclosed turnover of only Rs.7.83 crore and were assessed (between September 2000 and September 2003) accordingly. Thus, the dealers concealed turnover of Rs.96.42 lakh and evaded tax of Rs.29.38 lakh. Further, maximum penalty of Rs.44.07 lakh leviable for deliberate concealment of turnover had not been levied.

(c) Further cross check of records of the Taxation Check Gate, Byrnihat with those of the Superintendent of Taxes, Byrnihat disclosed that seven dealers sold bamboo and sand valued at Rs.1.76 crore^(a) in course of inter-State trade between October 1999 and September 2002 but disclosed turnover of only Rs.54.09 lakh on which assessment was made. Thus, the dealers concealed turnover of Rs.1.22 crore and evaded tax of Rs.12.24 lakh. Besides, maximum penalty of Rs.18.36 lakh for deliberate concealment of turnover was leviable but not levied.

After these were pointed out in audit, the Government stated between August and September 2004 that two dealers at para 'a' were asked to produce their books of accounts for assessment and out of four dealers at para 'b', two were re-assessed while the other two dealers sought for extension of time for assessment. In case of para 'c' it was stated in September 2004 that all the dealers were re-assessed. The report on recovery in these cases had not been received (November 2004).

5.19 Loss of revenue

Non-completion of assessment in respect of a registered dealer on best judgement basis led to loss of revenue of Rs.57.52 lakh.

Under the Meghalaya Sales tax Act, every registered dealer is required to file a prescribed return along with payment of admitted tax as per return through treasury *challan* within a month of the close of each quarter. If the dealer fails to file such return along with payment of tax despite notice, the assessing officer shall assess the dealer on best judgement basis and determine the tax payable by him. This provision of the State Act, applies *mutatis mutandis* in case of assessment/reassessment under the Central Sales Tax Act, 1956.

(a) No.	of dealers	Name of goods sold	Quantity of goods sold	Value of goods sold (Rupees in lakh)
	2 5	Bamboo Sand	3000 trucks 19336 trucks (96680 cum)	89.46 87.01
Total	7			176.47

Cross check of records of the Hindustan Paper Corporation, Jagiroad and Panchgram (Assam) and Taxation Check Gate, Umkiang disclosed that a registered dealer under the jurisdiction of the Superintendent of Taxes, Purchase Tax Circle, Shillong sold 13361.38 MT of lime valued at Rs.2.63 crore in course of inter-State trade between April 1999 and October 2002. But the dealer filed return showing turnover of Rs.32.95 lakh for the period between April 1999 and March 2000 and was assessed accordingly in October 2001. Thereafter, the dealer neither filed any return along with payment of tax nor was any action initiated by the assessing officer to assess the dealer on best judgement basis. In the meantime, the dealer closed his business since October 2002. Thus, inaction on the part of the assessing officer to assess the dealer on best judgement basis resulted in loss of revenue of Rs.57.52 lakh on the differential turnover of Rs.2.30 crore.

After this was pointed out between March and July 2004 in audit the Government stated in September 2004 that the dealer had sought for extension of time to produce his books of accounts for completion of assessments. The report on assessments and recovery of dues had not been received (November 2004).

5.20 Evasion of tax by unregistered coal dealers

The department allowed inter-State trade to four unregistered coal dealers which led to evasion of tax of Rs. 48.16 lakh.

Under the Central Sales Tax Act, 1956, no dealer shall carry on business in course of inter-State trade or commerce unless he is registered and possesses a certificate of registration. Further, on inter-State sale of goods to registered dealers, tax is leviable at a concessional rate of 4 per cent, if such sales are supported by valid declarations in Form 'C'. On inter-State sale of declared goods that are not covered by valid declaration in Form 'C' tax is leviable at twice the rate applicable to the sale of such goods inside the appropriate State. In Meghalaya, coal is taxable at the rate of 4 per cent at the point of first sale within the State.

Test-check of records of the Superintendent of Taxes, Jowai revealed that four unregistered dealers were allowed to transport and sell 57,195 MT of coal valued at Rs.6.02 crore in course of inter-State trade or commerce between November 1999 and March 2003. Thus, failure of the assessing officer to get

the dealers registered and irregularly allowing them to transport and sale taxable goods resulted in evasion of tax of Rs.48.16 lakh.

After this was pointed out in March 2004 in audit the Government stated in September 2004 that these dealers were subsequently registered and not liable to pay tax as they were exporters. The reply is not tenable as no evidence in support of export of coal outside the territory of India was submitted by any of these dealers as contended.

5.21 Loss of revenue due to non-finalisation of assessment

Delay in completion of assessment in respect of nine registered dealers led to loss of revenue of Rs.29.57 lakh.

Under Section 16 of the Meghalaya Sales Tax Act and Rules framed thereunder, every registered dealer is required to file a prescribed return along with payment of admitted tax through treasury *challan* as per return within 30 days of the close of each six monthly period. If the dealer fails to file such return along with payment of admitted tax despite notice, the assessing officer shall assess the dealer on best judgement basis and determine the tax payable by him. The provision of the State Act applies *mutatis mutandis* in case of assessment/reassessment under the Central Sales Tax Act, 1956.

- (a) Cross verification of records of the Umkiang Taxation Check Gate and the Director of Mineral Resources, Shillong disclosed that three registered dealers under the jurisdiction of the Purchase Tax Circle Shillong sold 4,740 tonnes of processed lime valued at Rs.93.62 lakh involving tax effect of Rs.23.41 lakh in course of inter-State trade or commerce during different periods between April 1999 and March 2000. But these dealers neither filed any return along with payment of admitted tax nor were they assessed by the assessing officer on best judgement basis to realise the tax as required under the Act *ibid*. Further test-check disclosed that these dealers had closed down their businesses since April 2000. Thus, failure to assess these dealers on best judgement basis in time resulted in loss of revenue of Rs.23.41 lakh.
- (b) Similarly, cross check of records of the Divisional Forest Officer, Tura disclosed that six registered dealers under the jurisdiction of the Superintendent of Taxes, Williamnagar sold 487.442 cum timber, 1.23 lakh Kgs broom stick and 1.16 lakh bamboos involving royalty value of Rs.21.70 lakh with tax effect of Rs.6.16 lakh in course of inter-State trade or commerce between October 1998 and April 2002. But these dealers neither filed any return along with payment of admitted tax nor was any action initiated by the assessing officer to assess these dealers on best judgement basis to realise the

tax as required under the Act. Thus, failure to assess these dealers on best judgement basis led to loss of revenue of Rs.6.16 lakh.

After these were pointed out between February and December 2003 in audit the Government stated in September 2004 that out of three dealers at 'a' two were assessed accordingly and tax of Rs.0.16 lakh was recovered (December 2003) and notice was served on the other dealer for filing return. In case of 'b' it was stated that two dealers were assessed and tax of Rs.0.06 lakh was recovered and efforts were being made to assess four dealers in co-ordination with Forest Department. The report on recovery of balance dues had not been received (November 2004).

5.22 Evasion of tax

Disclosure of less turnover resulted in evasion of tax of Rs.9.48 lakh besides, interest of Rs.7.88 lakh and penalty of Rs.14.22 lakh.

Under the Meghalaya Finance (Sales Tax) Act, if upon information which has come to his possession, the Commissioner of Taxes is satisfied that the sale of any taxable goods has escaped assessment in any period or has been underassessed, he may at anytime, within eight years of the end of the aforesaid period, serve on the dealer a notice and may proceed to re-assess the dealer accordingly. If the Commissioner of Taxes, in course of any proceeding is satisfied that a dealer has evaded in any way the liability to pay tax, he may direct that such dealer shall pay penalty, in addition to the tax, a sum not exceeding one and a half times of the tax due. Further, if any dealer fails to pay the full amount of tax by the due date he shall be liable to pay interest at the prescribed rates for the period of default on the amount by which tax paid falls short.

(a) Cross check of records of the Taxation Check Gate, Umkiang and the Registrar of Companies, Shillong with those of the Superintendents of Taxes, Circles 3 and 6, Shillong revealed that two registered dealers imported and sold liquified petroleum gas and appliances valued at Rs.3.24 crore between April 1998 and March 2001. However, the dealers disclosed turnover of only Rs.2.31 crore and were assessed between June 2000 and February 2002 accordingly. The dealers thus, evaded tax of Rs.7.44 lakh on the concealed turnover of Rs.93 lakh. Further, maximum penalty of Rs.11.16 lakh for such evasion of tax and interest of Rs.5.59 lakh was leviable but not levied.

(b) Similarly, test-check of records of the Superintendent of Taxes, Circle – 6, Shillong revealed that a registered dealer disclosed turnover of Rs.6.89 crore in his returns during April 1996 to March 1999 and was assessed (May 2001) accordingly. However, scrutiny of assessment records revealed that the dealer actually sold safety matches valued at Rs.7.18 crore^(a) during the aforesaid period. This resulted in concealment of turnover of Rs.29 lakh having tax effect of Rs.2.04 lakh. Besides, maximum penalty of Rs.3.06 lakh and interest of Rs.2.29 lakh was leviable but not levied.

After these were pointed out in April 2003, the Government stated in September 2004 that both the dealers at 'a' were assessed and dues recovered accordingly. In respect of 'b' it was stated (September 2004) that the dealer was assessed and dues of Rs.1.31 lakh was recovered. The report on recovery of balance dues of Rs.6.08 lakh in case of 'b' had not been received (November 2004).

5.23 Evasion of tax by unregistered dealers

Failure of the department to register nine dealers led to evasion of tax of Rs.17.38 lakh.

Under the Central Sales Tax Act, 1956, no dealer shall carry on business in course of inter-State trade or commerce unless he is registered and possesses a certificate of registration. Further, on inter-State sale of goods other than declared goods, tax is leviable at the rate of 10 per cent or at the rate applicable to sale or purchase of such goods inside the State whichever is higher. In Meghalaya, lime and stone/boulder are taxable at the rate of 25 and 8 per cent respectively within the State.

Cross check of records of the Hindustan Paper Corporation Ltd. (HPC), Panchgram (Assam) and the Divisional Forest Officer (DFO), Jowai (Meghalaya) with those of the Superintendent of Taxes, Jowai revealed that an unregistered dealer sold 3,382 MT of processed lime and another eight unregistered dealers sold 8,100 cum of stone/boulder valued at Rs.65.96 lakh and Rs.8.91 lakh respectively in course of inter-State trade between April 1999 and July 2003. Thus, failure of the assessing officer to get the dealers registered and irregularly allowing them to despatch taxable goods resulted in evasion of tax of Rs.17.38 lakh.

⁽a) Opening stock + Stock received - Free sale - Damaged/gutted by fire - Closing stock = Sale

Rs.0.35 lakh + Rs.7.99 crore - Rs.63.96 lakh - Rs.12.05 lakh - Rs.5.17 lakh = Rs.7.18 crore

After this was pointed out in audit in May 2004, the Government stated in November 2004 that efforts were being made to trace out eight dealers of stone/boulder for registration and payment of dues. Further, in respect of dealer of processed lime, the Government stated that there was no registered dealer named M/s HPC, Panchgram, Assam. The reply in this case is not tenable as the objection is against a Lad-Rymbai (Meghalaya) based unregistered dealer and not against the HPC, Panchgram, Assam as contended. The reason for not registering the dealer of lime and the report on registration and recovery of dues from the other eight dealers of stone/boulder have not been received (November 2004).

5.24 Under-assessment of tax due to application of incorrect rate

Application of incorrect rate of 4 per cent instead of 8 per cent on the inter-State sales turnover of Rs.3.47 crore led to under-assessment of tax of Rs.13.89 lakh.

Under the Central Sales Tax Act, 1956 every registered dealer who in the course of inter-State trade sells declared goods to a registered dealer, shall pay tax at a concessional rate of 4 per cent if the purchasing dealer furnishes a declaration in Form 'C' or 'D'. Otherwise, tax shall be leviable at twice the rate applicable to sale of declared goods inside the State.

Test-check of records of the Superintendent of Taxes, Jowai revealed that a registered dealer made inter-State sale of coal (declared goods) valued at Rs.3.47 crore supported by declaration forms to two registered dealers during April to September 2002. However, scrutiny of 'C' Forms of the purchasing dealers revealed that these dealers were registered in February and July 2003 respectively. Thus, the declaration forms submitted were invalid and tax should have been levied at the rate of 8 per cent instead of 4 per cent. This resulted in under assessment of tax of Rs.13.89 lakh.

After this was pointed out in March 2004 in audit, the Government stated in September 2004 that the case was under re-assessment. The report on assessment and recovery of dues had not been received (November 2004).

5.25 Incorrect deduction

Incorrect deduction of taxable turnover of Rs.0.46 crore resulted in short levy of tax of Rs.3.64 lakh.

Schedule – II of Meghalaya Sales Tax Act, stipulates that sales turnover of food or other articles or any drink whether or not intoxicating, served for consumption in any eating house, restaurant or hotel is taxable at the rate of 8 per cent.

Test-check of records of the Superintendent of Taxes (Circle – 2) Shillong revealed that two registered hoteliers disclosed sales turnover of cooked food and India Made Foreign Liquor (IMFL) valued at Rs.0.72 crore for different periods between April 2000 and March 2002 and claimed deduction of Rs.0.46 crore being non-taxable sales of IMFL. The assessing officer also assessed (between April 2000 and November 2002) these hoteliers accordingly. However, the deduction claimed in these cases was not admissible as the turnover of IMFL was not exempted from tax. This incorrect deduction resulted in short levy of tax of Rs.3.64 lakh.

After this was pointed out in audit in April 2003 the Government stated in September 2004 that two hoteliers of IMFL were allowed deduction for sale of IMFL in their hotels as per order No. 1 of 1998 passed by the Meghalaya Board of Revenue (MBR) in the appeal case of M/s Eeecee Enterprise vrs. Commissioner of Taxes, Shillong. The reply is not tenable as the MBR's order *ibid*, relates to sale of IMFL in hotel during October 1991 to March 1992 when IMFL was exempted from tax. But the IMFL was again brought under tax net vide Government notification of December 1999. Hence both the cases are not identical and no deduction for sale of IMFL in these hotels is admissible as contended.

5.26 Non-levy of penalty for mis-use of 'C' forms

Purchase of unspecified goods at concessional rate from outside the State by a registered dealers led to non-levy of penalty of Rs.3.89 lakh.

Under Section 8 of the Central Sales Tax Act, 1956, inter-State sale of goods are taxable at a concessional rate of four *per cent* if the purchaser furnishes to the seller a declaration in Form 'C' certifying that the goods are of the classes specified in his certificate of registration. When a dealer purchases goods not specified in his certificate of registration but claims the concessional rate, he is

deemed to have falsely represented that goods are specified in his certificate of registration. Such a violation attracts imposition of penalty not exceeding one and a half times of the tax due in lieu of prosecution.

Test-check of records of the Superintendent of Taxes (Circle 2) Shillong disclosed that a registered dealer purchased *Khukri* valued at Rs.43.20 lakh on different dates between October 1999 and April 2001 from dealers in Uttar Pradesh at concessional rate through 'C' forms even though these items were not specified in his certificate of registration. For such mis-use of 'C' Forms, maximum penalty of Rs.3.89 lakh was leviable but was not levied.

After this was pointed out in audit in April 2003 the Government while admitting the facts stated in August 2004 that due to ignorance the dealer did not get his registration certificate amended in time for inclusion of 'Khukri' which was subsequently included by amending his certificate of registration. The reply is not tenable as date of application for amendment is to be taken as date of effectiveness of the amendment as held judicially.

5.27 Under-assessment of tax due to application of incorrect rate

Application of incorrect rate of 10 per cent against 12 per cent on the inter-State sales turnover of Rs.1.56 crore of two dealers led to under-assessment of tax of Rs.3.12 lakh.

Under the Central Sales Tax Act, 1956, sale of goods in course of inter-State trade or commerce is taxable at the rate of 4 per cent if such sale is supported by declaration in Form 'C'. Otherwise such sale is taxable at the rate of 10 per cent or at the rate applicable to the sale or purchase of such goods inside the State, whichever is higher. In Meghalaya, cement and plastic goods are taxable at 12 per cent inside the State.

Test-check of records of the Superintendent of Taxes, Byrnihat disclosed that two dealers sold plastic goods and cement valued at Rs.1.56 crore in course of inter-State trade or commerce, not supported by declaration in Form 'C' during September 1995 to September 2002. Hence 12 per cent tax amounting to Rs.18.75 lakh was to be levied. However, the assessing officer levied (January and February 2003) tax at 10 per cent only amounting to of Rs.15.63 lakh for the aforesaid sale. This resulted in under-assessment of tax of Rs.3.12 lakh as tabulated below:

Orient Paper Mills Ltd. Vs. CST(1959) 23 STC 308 MP.

Table 5.12

(Rupees in lakh)

. 1 <i>8</i> 22	Name of dealer	Period of sale	Name of goods sold not supported by declaration in Form 'C'	Value	Tax leviable	Tax levied	Tax under assessed
	Α	1 January 2000 to 31 March 2002	Plastic goods	28.07	3.37	2.81	0.56
	В	1 April 1995 to 30 September 2002	Cement	128.17	15.38	12.82	2.56
		Total		156.24	18.75	15.63	3.12

After this was pointed out in August 2003 in audit, the Government stated in September 2004 that both the dealers were assessed to tax accordingly. The report on recovery had not been received (November 2004).

TRANSPORT DEPARTMENT

5.28 Non-levy of fine on trucks carrying excess load of coal-

Failure of the Enforcement Wing to detect offence committed by 2,48,184 commercial trucks carrying excess load beyond maximum permissible limit led to non-levy of fine of Rs.234.97 crore.

In Meghalaya all commercial trucks are registered by the District Transport Officer with maximum permissible pay load of 10 Metric Tonnes (MT) on which road tax is payable under the Assam Motor Vehicle Taxation Act, 1936 (as adopted in Meghalaya). Further, under the Motor Vehicle Act 1988 (as amended in 1994) whoever drives a motor vehicle or causes or allows a motor vehicle to be driven carrying load in excess of permissible limit, will be liable to pay a minimum fine of Rs.2,000 and an additional amount of Rs.1,000 per MT of excess load so carried.

Cross check of the records of the Commissioner of Transport, Meghalaya, Shillong with those of the Directorate of Mineral Resources Check gates revealed that 2,48,184 commercial trucks carried 43,35,327 MT of coal against the maximum permissible limit of 24,81,840 MT for different periods between April 1999 and February 2003. But the excess load of 18,53,487 MT carried by these trucks beyond the maximum permissible limit escaped the

Mookyndur, Umkiang, Dainadubi and Gasuapara.

notice of the enforcement wing of the Transport Department, Meghalaya, resulting in non-realisation of fine of Rs.234.97 crore leviable in these cases.

The cases were reported to the department/Government in July 2003 and August 2004; reply had not been received (November 2004).

5.29 Short realisation of composite tax

Realisation of composite tax of Rs.3.30 lakh against Rs.40.32 lakh from 84 Tourist Permit holders of neighbouring States led to short realisation of composite fee of Rs.37.02 lakh.

The Government of Meghalaya, Transport Department vide their notification of 15 May 2000 fixed annual composite tax (CT) of Rs.48,000 on Tourist Omnibus (14 to 36 seaters and above) authorised to ply under Tourist Permit. CT is to be realised by the Secretary, State Transport Authority (STA) of the State which issues the National Permit and is to be sent to the STA of Meghalaya by Bank draft.

Test-check of records of the STA, Meghalaya, Shillong revealed that in 84 cases CT of Rs.3.30 lakh was realised and remitted to STA, Shillong instead of Rs.40.32 lakh by the STA's of Assam, Arunachal Pradesh and Nagaland on vehicles plying under tourist permits in the State of Meghalaya during the different periods between April 2001 and 31 March 2003. The matter was not taken up by the STA, Shillong with his counterparts of the three States. Instead the vehicles were allowed to ply in the State. This resulted in short realisation of CT of Rs.37.02 lakh.

The matter was reported to the department/Government in May 2003 and August 2004; reply had not been received (November 2004).

5.30 Loss of revenue

Non-accountal and non-deposit of sale proceed of 564 tickets for Helicopter Services resulted in loss of revenue of Rs. 4.09 lakh.

The Government of Meghalaya (Transport Department) introduced Helicopter Services of M/s Pawan Hans Helicopters Limited (PHHL) to operate between

Shillong, Guwahati and Tura and appointed the Meghalaya State Transport Corporation (MTC), Shillong as an agent for operating the Helicopter Services including selling of tickets and other ancillary works on the basis of commission payable at the rate of 9 per cent of sale proceeds of tickets. To monitor day to day running of Helicopter services, the MTC was required to submit fortnightly reports showing the details of number of flights operated, total flying hours, number of tickets sold, amount collected, etc.

A cross verification of records of the Commissioner of Transport, Meghalaya, Shillong and the fortnightly reports submitted by the MTC, Shillong on Helicopter services with the daily flight manifests of PHHL revealed that as per MTC's fortnightly reports 4,062 passengers had travelled during the period from April 2001 to March 2003 whereas as per the flight manifests of the PHHL 4,626 passengers had actually travelled resulting in a discrepancy of 564 passengers. Thus, 564 tickets were not accounted for by the MTC authorities though the flight manifests were available with them. This had led to loss of revenue of Rs.4.09 lakh calculated at the minimum approved fare of Rs.725 per passenger.

The matter was reported to the department/Government in July 2003 and August 2004; reply had not been received (November 2004).



CHAPTER VI GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

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CHAPTER VI: GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

General .

This chapter deals with the results of audit of Government companies and Statutory corporations. Paragraph 1 deals with general view of Government companies and Statutory corporations. Paragraph 6.2 contains review on fund management of Meghalaya State Electricity Board and Paragraphs 6.3 to 6.7 deal with topics of other interest (including paragraph on 'Delay in finalisation of accounts by State Public Sector Undertakings').

6.1 Overview of Government companies and Statutory corporations

6.1.1 Introduction

As on 31 March 2004 there were 10 Government companies (all working) and three Statutory corporations (all working) against the same number of working Government companies and working Statutory corporations as on 31 March 2003 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit arrangement of the Statutory corporations are as follows:

Table 6.1

SI. No.	Name of the Corporation	Authority for audit by the CAG	Audit arrangement
1.	Meghalaya State Electricity Board (MeSEB)	Under Rule 14 of the Electricity (Supply) (Annual Accounts) Rules, 1985 read with Section 185 (2)(d) of the Electricity Act, 2003 ^(a) .	Sole audit by CAG
2.	Meghalaya Transport Corporation (MTC)	Section 32(2) of Road Transport Corporations Act, 1950	Sole audit by CAG
3.	Meghalaya State Warehousing Corporation (MSWC)	Section 31(8) of the State Warehousing Corporations Act, 1962	Audit by Chartered Accountants and supplementary audit by CAG

Working Public Sector Undertakings (PSUs)

6.1.2 Investment in working PSUs

As on 31 March 2004, the total investment in 13 working PSUs (10 Government companies and three Statutory corporations) was Rs.567.58 crore* (equity: Rs.113.57 crore; long-term loans**: Rs.412.20 crore and share application money: Rs.41.81 crore) as against a total investment of Rs.701.94 crore (equity: Rs.113.14 crore; long-term loans: Rs.557.71 crore; and share application money: Rs.31.09 crore) in the same number of working PSUs as on 31 March 2003. The analysis of investment in working PSUs is given in the following paragraphs.

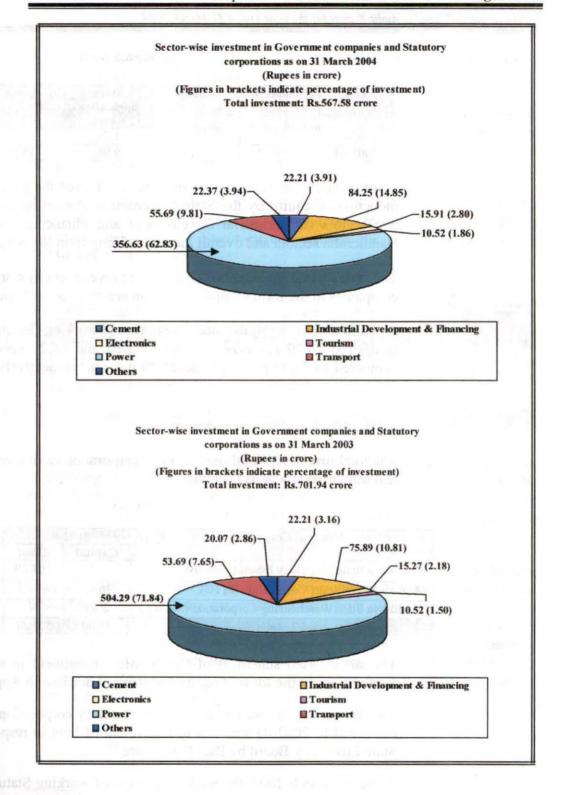
6.1.3 Sector-wise investment in working Government companies and Statutory corporations

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2004 and 31 March 2003 are indicated in the pie charts as follows:

The earlier provision of Section 69(2) of the Electricity (Supply) Act, 1948 was repealed by the Electricity Act, 2003.

Figure as per Finance Accounts 2003-04 is Rs.131.72 crore. The difference is under reconciliation.

Long term Loans mentioned in paragraphs 6.1.2, 6.1.3, 6.1.4 and 6.1.5 are excluding interest accrued and due on such loans.



6.1.4 Working Government Companies

The total investment in working Government companies at the end of March 2003 and March 2004 was as follows:

6.1.7 Finalisation of accounts by working PSUs

The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of the respective Acts.

It would be noticed from Appendix XXXIII that out of 10 working Government companies and three Statutory corporations, only one company viz., Mawmluh Cherra Cement Limited and one corporation viz., Meghalaya State Electricity Board had finalised their accounts for the year 2003-04 within the stipulated period. During the period from October 2003 to September 2004, 10 working Government companies finalised 12 accounts for previous years. During this period two Statutory corporations finalised two accounts for previous years.

The accounts of nine working Government companies and two Statutory corporations were in arrears for periods ranging from one to 14 years as on 30 September 2004 as detailed below:

Table 6.5

SI. No.	Number of corpor	AMARIA NO PER 12 (1993)	Year from which accounts are in arrears	Number of years for	Reference to of Appendi	
	Govern- ment companies	Statutory corpora- tions	And the second s	which accounts are in arrears	Govern- ment companies	Statutory corpora- tions
1.	02	01	2003-04	01	4 & 10	3
2.	01		2002-03 to 2003-04	02	9	· · ·
3.	01	_	2001-02 to 2003-04	03	5	
4.	01	-	1999-2000 to 2003-04	05	2	
5.	01	01	1998-99 to 2003-04	.06	3	2
6.	01		1997-98 to 2003-04	07	7	-
7.	01	$y_{\mu} \approx \frac{1}{2} \sqrt{1/2}$	1996-97 to 2003-04	08	6	
8.	01		1990-91 to 2003-04	14	8	

It is the responsibility of the administrative departments to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. Though the concerned administrative departments and officials of the Government were appraised quarterly by the Audit regarding arrears in finalisation of accounts, no effective measures had been taken by the Government. As a result, the net worth of these PSUs could not be assessed in audit.

6.1.8 Financial position and working results of working PSUs

The summarised financial results of working PSUs (Government companies and Statutory corporations) as per their latest finalised accounts are given in Appendix XXXIII. Besides, statements showing financial position and working results of individual Statutory corporations for the latest three years for which accounts are finalised, are given in Appendices XXXV & XXXVI respectively.

According to latest finalised accounts of 10 working Government companies and three Statutory corporations, eight companies and two corporations had incurred an aggregate loss of Rs.6.51 crore and Rs.23.61 crore respectively and the remaining two companies and one corporation earned profit of Rs.2.59 crore and Rs.0.05 crore respectively.

Working Government companies

6.1.9 Profit earning working companies and dividend

Out of 10 working Government companies only one company viz., Mawmluh Cherra Cements Ltd. has finalised its accounts for 2003-04 and earned profit of Rs.2.57 crore in the year 2003-04 and Rs.1.78 crore in the year 2002-03 but did not declare any dividend. The State Government has not formulated any dividend policy for payment of minimum dividend.

6.1.10 Loss incurring working Government companies

Of the eight loss incurring working Government companies, six companies (Sl. Nos. 3, 4, 5, 6, 9 and 10 of Appendix XXXIII) had accumulated losses aggregating Rs.38.10 crore which had exceeded their aggregate paid-up capital of Rs.9.42 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to two of these companies (Sl. Nos. 3 and 10 of Appendix XXXIII) in the form of contribution towards equity, *etc*. According to available information, the total financial support so provided by the State Government by way of equity and grant during 2003-04 to these companies whose accumulated losses had exceeded the paid-up capital amounted to Rs.37.50 lakh.

Working Statutory corporations

6.1.11 Profit earning working Statutory corporations and dividend

Only one Statutory corporation (Serial 3 of Appendix XXXIII) which finalised accounts for 2002-03 by September 2004 and earned profit of Rs.5.07 lakh had declared dividend of Rs.0.30 lakh.

6.1.12 Loss incurring working Statutory corporations

The aggregate accumulated loss of two Statutory corporations (Sl. Nos. 1 & 2 of Appendix XXXIII) as per their latest finalised accounts was Rs.311.54 crore. As per available information, during 2003-04 the State Government had provided financial support aggregating Rs.63.88 crore to these Statutory corporations by way of loan (Rs.48.73 crore), equity (Rs.2 crore) and subsidy/grant (Rs.13.15 crore).

6.1.13 Operational performance of working Statutory corporations

The operational performance of the working Statutory corporations is given in Appendix XXXVII.

Some of the important observations on the operational performance of the Statutory corporations are given below:

Meghalaya State Electricity Board

- Percentage of transmission and distribution losses to total power available for sale increased from 21.90 in 2001-02 to 25.48 in 2003-04.
- Net power generated declined from 597.6 MKWH in 2001-02 to 524.8 MKWH in 2003-04.

Meghalaya Transport Corporation

- Average kilometers covered per bus per day decreased from 163 in 1995-96 to 154 in 1997-98.
- Loss per kilometer increased from paise 1,036 in 1995-96 to 1,117 in 1997-98.

6.1.14 Return on capital employed

As per the latest finalised accounts, the capital employed worked out to Rs.82.04 crore in 10 working companies and total return thereon was Rs.0.63 crore as compared to a negative return of Rs.1.83 crore in the previous year. Similarly, the capital employed and total return thereon in case of working Statutory corporations as per the latest finalised accounts worked out to Rs.340.65 crore and Rs.6.64 crore (1.95 per cent) respectively against the total return of Rs.5.11 crore (1.08 per cent) in previous year. The details of capital

Capital employed represents net fixed assets (including Capital work-in-progress) plus working capital except in case of Meghalaya Industrial Development Corporation where it represents a mean of aggregate of opening and closing balances of paid-up capital, free reserves and borrowings (including refinance).

For calculating total return on capital employed, interest on borrowed funds is added to net profit/substracted from the loss as disclosed in the profit and loss account.

employed and total return on capital employed in case of working Government companies and Statutory corporations are given in Appendix XXXIII.

6.1.15 Status of placement of Separate Audit Reports of Statutory corporations in Legislature

The following table indicates the status of placement of various Separate Audit Reports (SARs) on the accounts of Statutory corporations issued by the CAG in the Legislature by the Government.

Table 6.6

SI. No.	Name of Statutory corporations	Year up to which SARs placed in	1335.58359995W63 7379 489	which SARs not in Legislature	Reasons for delay in placement in Legislature
		Legislature	Year of SAR	Date of issue to the Government	A Course
1.	Meghalaya State Electricity Board	2002-03	_	_	
2.	Meghalaya Transport Corporation	1996-97	1997-98	28 April 2003	Under process of placement to Legislature
3.	Meghalaya State Warehousing Corporation	2000-01	2001-02	04 April 2003	-Do-

6.1.16 Disinvestment, Privatisation and Restructuring^(a) of Public Sector Undertakings

Shares of none of the Public Sector Undertakings (PSU) have been disinvested nor has any PSU been privatised, restructured, merged or closed.

6.1.17 Results of audit by Comptroller and Auditor General of India

During the period from October 2003 to September 2004, the accounts of six Government working companies and two Statutory corporations were selected for review. The net impact of audit observations as a result of review of PSUs was as follows:

Table 6.7

Details	Number of	accounts	Rupees	in lakh
	Government companies	Statutory corporation	Government companies	Statutory corporation
(i) Decrease in profit	1	1	16.78	2.61
(ii) Increase in profit	1		4.08	
(iii) Increase in loss	1	1	14.02	307.32
(iv) Decrease in loss	-	-		-
(v) Non-disclosure of material facts	2	-	56.07	- -
(vi) Errors of classification		. 1	_	2.61

⁽a) Restructuring includes merger and closure of PSUs.

Some of the major errors and omissions noticed in the course of review of annual accounts of some of the above Government companies and Statutory corporations are mentioned below:

6.1.18 Errors and omissions noticed in case of Government companies

Mawmluh-Cherra Cements Limited (2002-03)

• Net profit has been overstated by Rs.16.78 lakh due to non-provision of (a) gratuity liability (Rs.15.82 lakh) and (b) interest on state Government loan (Rs.0.96 lakh).

Meghalaya Tourism Development Corporation Limited (1989-90)

Net loss has been understated by Rs.10.83 lakh due to short provision of depreciation on furniture (Rs.0.54 lakh) and vehicle (Rs.0.29 lakh) and accountal of financial assistance of Rs.10 lakh received in 1991-92 as income.

6.1.19 Errors and omissions noticed in case of Statutory corporations

Meghalaya State Electricity Board (2002-03)

The net loss for the year (Rs.24.56 crore) was understated by Rs. 3.07 crore due to (i) inclusion of interest of Trust Investment (Rs.0.68 crore) (ii) interest accrued and due of earlier years charged in the current account (Rs.0.05 crore) (iii) excess levying of storage charges (Rs.1.45 crore) (iv) non-adjustment of power charges on revised bills (Rs.0.09 crore) (v) non-provision of bad-debts (Rs.0.81crore) (vi) non-provision of loss due to theft of assets (Rs.0.01crore) (vii) short exhibition of repair maintenance expenses (Rs.0.07 crore) (viii) non-provision of liability (Rs.0.02 crore) and (ix) interest accrued and due on investment not provided in the accounts (Rs.0.11 crore).

Meghalaya Transport Corporation (Accounts for 1997-98)

The net loss for the year has been overstated by Rs.1.42 crore (net) due to short exhibition of income (Rs.14.59 lakh), excess exhibition of expenses (Rs.36.85 lakh), excess consumption of spare parts (Rs.1.13 crore), excess exhibition of income (Rs.11.97 lakh) and short provision of expenses (Rs.10.29 lakh).

6.1.20 Audit assessment of the working results of Meghalaya State Electricity Board (MeSEB)

Based on the audit assessment of the working results of MeSEB for the three years up to 2002-03[#] and taking into consideration the major irregularities and

SAR for 2003-04 under process of finalisation.

omissions pointed out in the SARs on the annual accounts of the MeSEB and not taking into account the subsidy/subventions receivable from the State Government, the net surplus/deficit and the percentage of return on capital employed of the MeSEB would be as follows:

Table 6.8

(Rupees in crore)

		(2240000 221 02 02 07			
-SL No.	Particulars	2000-01	2001-02	2002-03	
1.	Net surplus (+)/deficit (-) as per books of accounts	(-) 20.13	(-) 24.94	(-) 24.56	
2.	Subsidy from the State Government	10.25	11.00	10.80	
3.	Net surplus (+)/deficit (-) before subsidy from the State Government (1-2)	(-) 30.38	(-) 35.94	(-) 35.36	
4.	Net increase/decrease in net surplus (+)/deficit (-) on account of audit comments on the annual accounts of the MeSEB	(-) 2.53	(-) 0.57	(-) 3.07	
5.	Net surplus (+)/deficit (-) after taking into account the impact of audit comments but before subsidy from the State Government (3-4)	(-) 32.91	(-) 36.51	[/] (-) 38.43	
6.	Total return on capital employed	15.41	8.76	13.28	
7.	Percentage of total return on capital employed	4.31	2.26	2.82	

6.1.21 Persistent irregularities and system deficiencies in financial matters of PSUs

The following persistent irregularities and system deficiencies in the financial matters of the two Statutory corporations had been repeatedly pointed out during the course of audit of their accounts but no corrective action has been taken by the PSUs so far.

Table 6.9

]	Meghalaya State Electricity Board	Meghalaya Transport Corporation
6	Age-wise analysis of receivables has not been made. Subsidy registers for purchases, advances, etc. remained un-reconciled with the financial records.	The details of opening balance, consumption and closing balances in respect of stores, tyres and tubes were not furnished. The manner in which the value of above stocks and consumption were assessed has not been furnished to Audit.
0	Stores ledger remains incomplete and Priced Stores Ledger has not been properly maintained.	 The opening and closing balances of stationery and forms and tickets were not assessed and accounted for.
0	Assets were not physically verified.	Party-wise ledger for Sundry Creditors has not been maintained.
		Fixed assets have not been physically verified by the Corporation.

6.1.22 Internal audit / Internal control

The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including the internal audit/internal control systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement.

- (a) The Statutory Auditors in their reports qualified that in respect of three companies (Sl. Nos. 1, 8 and 9 of Appendix XXXIII) no internal audit system exists or internal audit is not in commensurate with size and nature of business of the companies.
- (b) Stocks have not been physically verified and dealt with properly in the accounts by four companies (Sl. Nos. 1, 5, 7 & 8 of Appendix XXXIII).

6.1.23 Response to inspection reports, draft paragraphs and reviews

Audit observations made during audit and not settled on the spot are communicated to the heads of PSUs/Departments and concerned heads of departments of the State Government through inspection reports. The heads of PSUs are required to furnish replies to the inspection reports through respective heads of departments within a period of six weeks. Inspection reports issued up to March 2004 pertaining to 13 PSUs/Department disclosed that 365 paragraphs relating to 106 inspection reports remained outstanding up to September 2004. Of these, 58 inspection reports containing 162 paragraphs had not been replied for more than 10 years. Department-wise break-up of inspection reports and Audit observations outstanding as on 30 September 2004 is given in Appendix XXXVIII.

Similarly, draft paragraphs and reviews on the working of the Government companies and Statutory corporations are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. Out of five draft paragraphs and one review forwarded to the various departments during June and July 2004, replies to one draft paragraph and the review have not been received (November 2004) as detailed in Appendix XXXIX.

It is recommended that (a) the Government should ensure that procedure exists for action against officials, who fail to send replies to Inspection Reports/Draft Paragraphs/Reviews as per the prescribed time schedule, (b) action be taken to recover loss/outstanding advances/overpayment as per a time bound schedule and (c) system of responding to the audit observations is revamped.

6.1.24 Position of discussions of Commercial Chapters of Audit Reports by the Committee on Public Undertakings (COPU)

The status of discussion of reviews/paragraphs of commercial chapters of Audit Reports pending discussion by COPU as on September 2004 are shown below:

Table 6.10

Period of Audit Report		r of reviews and ired in Audit Report	Number of review	vs and paragraphs discussion
and from	Reviews	Paragraphs	Reviews	Paragraphs
1984-85	3	3	1	1
1985-86	1 1			3
1986-87	1	3: 4-4	1 1	2
1987-88		4		3, 7
1988-89		4 4		3
1989-90	<u> 4 1 de la composición del composición de la composición de la composición del composición de la comp</u>	4		3
1990-91	2	4	2	3
1991-92	<u> </u>	4	1.00	3
1992-93		4	1	.4
1993-94	1	4		4
1994-95	2	4	2	4
1995-96	7 30 1 Say	4		4
1996-97		4		4
1997-98	1	.4	1 1 S	4
1998-99	1 7 3	2	1 1	2
1999-00	2	7. 7.	2	7
2000-01	2	4	- 2	4
2001-02	1	6	1	6
2002-03	1	4	1	4

Between July 1985 and April 1997, the COPU had presented 12 Reports (including three Action Taken Reports) before the State Legislature.

6.1.25 619-B Companies

There was one non-working company covered under section 619-B of the Companies Act, 1956. The table given below indicates the details of paid-up capital and working results of the Company based on the latest available accounts.

Table 6.11

(Rupees in crore)

Name of Company	Year of	Paid up		investment by		Profit (+)/	Accumulated
	accounts	Capital	State	Govern-	Others	Loss (-)	Profit (+)/
			Govern-	ment			Loss (-)
			ment	Companies			
Meghalaya Phyto	1984#	0.75		0.54	0.21	(-) 0.66	(-) 2.20
Chemicals Limited	1704	0.75	•••	0.54	0.21	(-) 0.00	(-) 2.20

The Company is defunct and thus, in absence of management no accounts after 1984 (Calendar year) have been compiled.

SECTION 'A': REVIEW

POWER DEPARTMENT

MEGHALAYA STATE ELECTRICITY BOARD

6.2 Fund Management

Highlights

Board is primarily responsible for development, generation and distribution of power in the most economic and efficient manner; the main sources of its fund are sale of power, loans/grants from Government, Rural electrification subsidy and borrowings including bonds.

(Paragraph 6.2.1)

Failure to revise load security deposit led to a loss of Rs.24.10 crore.

(Paragraph 6.2.6)

The revenue arrear stood at Rs.207.42 crore at the end of 2002-03 which represented 15.68 months' billing/assessment.

(Paragraph 6.2.9)

Board failed to avail of the rebate amounting to Rs.1.16 crore due to delay in payment of bills of power purchase and instead paid delayed payment surcharge to the tune of Rs.1.68 crore.

(Paragraph 6.2.18)

Injudicious rebate of Rs.2.01 crore was allowed to EHT consumers.

(Paragraph 6.2.19)

Rural Electrification subsidy of Rs.106.91 crore awaited realisation from the State Government.

(Paragraph 6.2.22)

6.2.1 Introduction

The Meghalaya State Electricity Board (MeSEB) was constituted on 21 January 1975 under Section 5(1) of the Electricity (Supply) Act, 1948^(a). In terms of Section 18 of the Act *ibid*, Board is primarily responsible for development, generation and distribution of electric power in the most economic and efficient manner. The main sources of fund for Board are sale of power (including sale of power to Assam), rural electrification subsidy, loans and grants from State Government and loans from Rural Electrification Corporation (REC). The outflow of fund is primarily towards capital works, purchase of power, repayment of loans to REC and establishment cost.

The fund requirements of the Divisions are allotted from the Head Office on the basis of annual budget prepared and forwarded by the Divisions and approved by Board. Funds are sent to the Divisions through Demand Drafts.

6.2.2 Organisational set up

The Finance Division of Board is headed by the Member (Finance). He is assisted by five Sr. Accounts Officers or Accounts Officers. The Principal Chief Engineer (Revenue and Commercial) heads the Revenue Divisions. He is assisted by the Superintending Engineer (HQ), two Superintending Engineers (Revenue) and Superintending Engineer (Commercial).

There are 36 Divisions out of which nine are Revenue Divisions under which there are 22 Revenue Sub-divisions to look after revenue billing and collection.

6.2.3 Scope of audit

The Review on tariff, billing and collection of revenue featured as paragraph 8.2 in the Report of The Comptroller and Auditor General of India for the year ended 31 March 2000 - Government of Meghalaya. The Report, presented to the State Legislature on 7 December 2001, has not been discussed by Committee on Public Undertakings so far (May 2004).

The present Review covers various aspects of revenue receipts, its appropriation for meeting various items of expenditure, borrowing from State Government, Financial Institutions and repayment of loan and payment of interest. Records of the office of Chief Accounts Officer, three Revenue Divisions, Superintending Engineer (Commercial) and 12 Divisions (other than Revenue Divisions) were test-checked (March 2004) for the period from April 1999 to March 2004.

⁽a) Since replaced by the Electricity Act, 2003.

Audit findings as a result of test-check of records were reported to Government on 10 June 2004 with a request for attending the meeting of Audit Review Committee for State Public Sector Enterprises (ARCPSE) so that the view points of Government and Management were taken into account before finalising the review. The meeting of ARCPSE was held on 11 June 2004 which was attended by the Management and Government represented by Additional Secretary from Power Department, Chief Engineer, Superintending Engineer and Deputy Chief Accounts Officer from MeSEB and their views have been considered in the review.

6.2.4 Sources and Application of Funds

The sources (internal and external) and application of Funds of Board for the last four years up to 2002-03 were as under:

Table 6.12

(Rupees in crore) 1999-2000 2000-01 2001-02 2002-03 Total Sources of Funds A 34.77 43.52 61.24 161.70 301.23 (i) Borrowings (net) Grants, contribution and subsidies 3.25 3.70 10.28 2.36 19.59 (ii) (iii) Reserves 0.62 0.04 0.66 38.02 47.84 71.56 164.06 321.48 Total Application of Funds B Acquiring of Fixed assets (including (i) 8.20 12.39 19.84 99.79 140.22 capital expenditure in progress) (ii) Deferred cost 0.79 0.350.21 0.66 2.01 0.60 8.04 7.53 36.01 52.18 (iii) Investments 16.90 7.40 16.24 45.86 Funds lost in operations 5.32 (iv) Increase in working capital 23.11 10.16 36.58 11.36 81.21 (v) Total 38.02 47.84 71.56 164.06 321.48

During the period from 1999-2000 to 2002-03^(b) the total funds raised were Rs.321.48 crore which were mainly utilised in acquisition of fixed assets (Rs.140.22 crore) and investment in short term deposits (Rs.52.18 crore). There was increase in working capital of Rs.81.21 crore; Rs.45.86 crore were utilised to meet the deficit of Board.

6.2.5 Fund Management

It was observed that there were cases of under billing/short billing, delay in collection of revenue, substantial increase in receivables, improper cash management, etc., leading to avoidable borrowings by Board as discussed in the succeeding paragraphs.

⁽b) 2003-04 figures not available. Board's Annual Account for the year not having been finalised.

Billing

6.2.6 Non-Revision of Load Security Deposit

In terms of Clause 27 of the Terms and Conditions (T&C) of Supply of Board made effective from 1989, security deposit equivalent to an estimated value of three months' consumption of power was required to be realised from the consumers. It was pointed out in paragraph 8.2.6.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 that the rates of security deposit prescribed in the T&C 1989 had not been revised in spite of four tariffs revisions made up to March 2000. Board made three further revisions thereafter (September 2001, October 2002 and November 2003), but had, however, not revised its Security deposit (March 2004).

During the period 1999-2004 Board sanctioned new service connections to seven Extra High Tension (EHT) and 21 High-Tension (HT) consumers. The actual consumption charges of these consumers for three months (December 2003 to February 2004) were Rs.28.61 crore (EHT: Rs.11.82 crore and HT: Rs.16.79 crore). But, Board raised a demand for load security deposit amounting to only Rs.4.51 crore worked out at the tariff rate prevailing in 1989. Thus due to non-revision of load security deposit, Board had to forgo Rs.24.10 crore in respect of Industrial consumers only which adversely affected its funds position.

Further, out of the total demand of Rs.4.51 crore raised from these consumers, Board actually realised only Rs.2.18 crore. The balance of Rs.2.33 crore (Rs.4.51 crore - Rs.2.18 crore), remained unrealised (March 2004).

Management in its reply (June 2004) stated that a Committee had already been constituted by Board to examine, review and modify the existing General Terms & Conditions of Supply of MeSEB with schedule of Miscellaneous charge. The report of the Committee was still (July 2004) awaited.

6.2.7 Loss of Revenue due to failure to insert monthly minimum charges clause in tariff

It was pointed out in paragraph 7.4 of the Report of Comptroller and Auditor General of India for the year ended 31 March 2003 that Board failed to insert appropriate clause (empowered by the Statute) for levy of minimum monthly consumption charges in the tariff for High Tension (HT) consumers whose energy meters were in order. Board consequently had to incur loss to the tune of Rs.5.29 crore in respect of 15 HT consumers under three divisions (Jowai Revenue Division, Ri-Bhoi Distribution Division and Tura Revenue Division).

Board despite above audit observation did not take any action to include the minimum charges clause in the tariff. During test-check of records in respect

of HT consumers (whose meters were in order) under Khasi Hills Revenue Division, it was observed that in case of three HT consumers, Board incurred a loss of Rs.46.87 lakh during the period from January 2003 to January 2004.

Board in its reply (June 2004) stated that insertion of a clause for levy of minimum consumption to the consumers whose meter was working was against natural justice.

The reply is not tenable as (a) in terms of Section 49 of the Act, *ibid* Board is empowered to impose monthly demand charges as well as minimum energy consumption charges, (b) other State and Central Power Sectors have inserted clauses in their tariff for minimum energy consumption charges.

6.2.8 Delay in raising of energy consumption bills

As per the applicable tariff and the T&C of supply, Board is required to raise and serve the energy bills to the consumers on a monthly basis prescribing the due date for payment.

The "Revenue Division Khasi Hills", however, served bi-monthly bills to 76,940 consumers during the period from March 2002 to October 2003 amounting to Rs.6.97 crore, which caused delay in collection of revenue of Rs.3.49 crore by 30 days.

6.2.9 Collection of Revenue

In order to realise revenue from the consumers, Board is required to raise monthly energy consumption bills. Failure to collect revenue in time will affect the fund position of Board.

The position of billing demands raised, collections made and revenue outstanding for the period from 1999-2000 to 2002-03 is given in Appendix-XL. It would be seen from the appendix that:

- While the percentage of collection of revenue within the State varied from 69.17 to 77.49, in respect of inter-State sale it ranged from 5.09 to 20.30.
- The percentage of overall collection varied from 32.13 to 39.86.
- The arrears of revenue both within and outside the State had increased from Rs.153.27 crore at the end of 1999-2000 to Rs.207.42 crore at the end of 2002-03 which represented 19.52 and 15.68 months' billing demand of Board respectively.
- Board did not maintain age-wise break-up of outstanding dues, in the absence of which outstanding current and old dues could not be assessed or analysed in audit.

The irregularities in collection of revenue noticed in audit are discussed in the succeeding paragraphs.

6.2.10 Disconnection of defaulting consumers

As per clause 31.3 of the T&C, if the consumer fails to pay any bill presented to him within the prescribed period of payment, Board is empowered to take action under sub-section 1 of Section 56 of the Electricity Act, 2003 and disconnect the supply after giving such consumers not less than seven days notice in writing and without prejudice to its right to recover the amount of the bill by suit. In this regard audit observed that:

- Power Supply to 567 consumers (Jaintia Hills Revenue Sub-division) having dues of Rs.1.17 crore has not been disconnected. Neither any reasons were there on record for not disconnecting the supply, nor has any action been taken against the delinquent officials.
- Shillong Revenue Division had disconnected (since 1999) the power supply of three HT consumers having outstanding dues of Rs.1.09 crore but no action has been taken by Board to recover the dues so far (March 2004). Legal suits have also not been filed against the defaulting consumers.

6.2.11 Unrealised compensation bill

The Vigilance Wing of Board detected (February 2002 to February 2004) pilferage of power by eight HT consumers and served compensation bills for Rs.18.12 lakh (as per clause 34 of T&C) to seven consumers in September 2002 (Rs.14.18 lakh) and to one consumer in February 2004 (Rs.3.94 lakh). Though the consumers have not paid (March 2004) the bills, disconnection was not effected. Board's failure to take follow up action to disconnect power supply resulted in the non-realisation of compensation bills amounting to Rs.18.12 lakh.

Board in its reply (June 2004) stated that wherever any compensation bill is raised by the Vigilance Wing then that wing was the only authority for disconnection for non-payment; the concerned revenue Sub-division was only the accepting authority when any payment comes against compensatory bill.

In the reply Board has only pointed out who is the competent authority for disconnection. Fact remains that the Board failed to initiate action as envisaged under Sub-section 1 of Section 56 of the Indian Electricity Act, 2003 and connections which should have been disconnected are still live.

6.2.12 Dues from Government consumers

Scrutiny of revenue realisation records of Jowai Revenue Division, Khasi Hills Revenue Division and Shillong Revenue Division revealed that State Departments were not paying their electricity bills in time. The division-wise outstanding revenues as on 31 December 2003 are given below. It was observed in audit that none of the State Government departments was clearing its dues in full. Payments were received in parts which had resulted in accumulation of huge outstanding.

Table 6.13

(Rupees in lakh)

SL No.	Name of the Division	Number of consumers	Outstanding amount
1.	Jowai Revenue Division	78	434.00
2	Khasi Hills Revenue Division	190	203.38
3.	Shillong Revenue Division	48	913.95
	Total		1551.33

The major defaulting departments were as follows:

Table 6.14

(Rupees in lakh)

SI. No.	Department	Outstanding amount
1.	Director of Urban Affairs, Shillong	96.44
2.	Director General of Police	205.93
3.	Secretary, General Administrative Department	29.20
4.	Director of Health Services	35.94
5.	Director of Animal Husbandry & Veterinary Department	10.87
	Total	378.38

The Superintending Engineer, Revenue Circle proposed (February 2004) to disconnect the power supply to the defaulting consumers under the provisions of T&C and tariff. Board, however, abstained from doing so. No reasons for this were available (July 2004) on record. Age-wise analysis of dues have also not been made.

6.2.13 Outstanding against Assam State Electricity Board (ASEB)

Board supplies power to ASEB at 132 KV (EHV) as per agreement renewable from time to time. The supply is categorised as inter-State sale.

The arrears of dues from ASEB at the end of 2002-03 were Rs.153.72 crore which represented 49.20 *per cent* of the total current assets. It was observed that out of Rs.153.72 crore, Rs.95.78 crore have been lying outstanding since 1994-95 as delayed payment charges. No steps have been taken by Board to

liquidate such huge arrears which were lying (July 2004) outstanding for more than nine years.

6.2.14 Cash Management

Board did not prepare the annual cash budget and cash flow statement which would have helped in assessing the actual fund requirements for discharging various obligations. As per procedure adopted by Board, the fund requirements of the divisions are sent from Head office by way of bank drafts to the respective current accounts of the divisions. In turn, the revenue subdivisions deposit the collected revenue to various branches of the State Bank of India and subsequently send the same to the Head office by bank drafts for crediting to Board's collection accounts.

In this regard, the following points deserve mention:

6.2.15 Non-preparation of Bank Reconciliation Statement

Twenty-two Revenue Sub-divisions which were operating Bank Accounts (in SBI) for remittance and revenue collection were not preparing Bank Reconciliation even though monthly statements were received from the banks. It was observed that 156 cheques for Rs.12.13 lakh deposited in the bank, between April 1996 and December 2003 by Revenue Sub-division-I, Shillong, have not been credited to Board's account. On this being pointed out in audit, Board stated (June 2004) that the matter was taken up with the revenue division concerned. Due to failure to ascertain the position from banks, Board's fund amounting to Rs.12.13 lakh remained out of account from one to eight years.

6.2.16 Non-maintenance of revenue cash book

The Revenue Wing at Head Office did not maintain any revenue Cash Book to record the daily collections and the transfer of amount to the principal account. In the absence of the same, the demand drafts and cheques received are entered in a Register and sent to banks for collection. Though the Revenue Wing receives the statement from the Bank at the end of every month, in the absence of Cash Book the Bank reconciliation statement could not be prepared and in such a situation the chances of misappropriation or fraud can not be ruled out.

Board in reply (June 2004) stated that the matter was under examination.

6.2.17 Retention of funds by divisions

Board had not laid down any guideline regarding minimum or maximum holding of cash by the divisions. It was further observed that Board, after

allocating the funds, was not ascertaining the details of unspent funds held by the division or adjusting the fresh allocation with the unspent balances held by the division.

Scrutiny of accounts revealed that the average cash holdings at the end of every month in the 14 divisions ranged from Rs.2.44 lakh to Rs.99.18 lakh during 1999-2000 to 2002-03.

Audit analysed the data for the year 1999-2000 and it was observed that during the year 1999-2000, average cash holding after meeting its expenditure by the 14 divisions was Rs.1.08 crore. Due to such high holding of cash by the divisions Board incurred a loss of interest amounting to Rs.30.34 lakh (worked out at a deposit rate of 7 per cent per annum) for four years up to 2002-03.

Board in reply (June 2004) stated that the guidelines for maintaining the minimum or maximum of cash holding could not be followed as Board had many divisions out of which some were having less cash transactions while some were having considerably more. The reply is not acceptable as an argument for not having any maximum and minimum levels. If necessary, Board could have different limits for different divisions. In the absence of maximum and minimum limit for cash holding by the divisions, chances of excess or idle funds with the divisions can not be ruled out resulting in poor management of funds and impairing Board's revenue earning capacity.

6.2.18 Failure to avail of rebate and avoidable payment of surcharge

On power purchase by Board, North Eastern Electric Power Corporation (NEEPCO) gives a rebate of 2.5 per cent or 1.75 per cent, provided the bills are paid by Board within the 20 or 30 days of the following month respectively. Further, payments against bills beyond the limit of 60 days attract interest at 15 per cent per annum.

It was observed that due to delay in payment of 36 bills submitted by NEEPCO during the period from July 2001 to September 2003, Board could not avail of rebate amounting to Rs.1.16 crore (no rebate availed of for 22 bills while rebate at the rate of 1.75 per cent only availed of in respect of 14 bills) and also paid delayed payment surcharge amounting to Rs.1.68 crore. The rebate could not be availed of in spite of availability of sufficient bank balances and short term deposits with Board.

Board attributed (June 2004) the delay to fund constraints and stated that the available funds were earmarked for capital works. However, since payments of power purchase bills had to be made, the delay only indicated poor fund management.

6.2.19 Injudicious rebate to EHT consumers

Board purchased power at 132 KV level from the Central Power Sector (NEEPCO, National Hydro Power Corporation Limited, National Thermal Power Corporation Limited, etc.) for supply to seven EHT consumers and received a rebate of 2.5 per cent for timely payment of the energy bills. Against this, Board gave a rebate of 5.2 per cent to the EHT consumers thereby incurring a loss of revenue amounting to Rs.2.01 crore during the period September 2001 to February 2004. As such, Board's policy of giving rebates in this regard needs to be reviewed.

6.2.20 Loss of interest

The funds received for projects were invested by Board in term deposits with banks. Audit scrutiny revealed that during the period from March 2000 to January 2002 there were seven cases of delay ranging from nine days to 65 days in investing funds resulting in a loss of interest amounting to Rs.14.60 lakh (worked out at the rate of 7 per cent per annum). Board while admitting (June 2004) the delay stated that the delay in deposit was caused by the inability to assess the fund requirements timely.

6.2.21 Unadjusted advance

The Material Management Division, MeSEB was procuring materials for Board as a whole. After procurement of materials the same were issued to Division concerned for execution of the jobs. In the process of procurement of materials, the Material Management Division, sometimes makes advance payment to the supplier and the amount of advance is adjusted against supply.

During scrutiny of records of the Material Management Division, it was noticed that advance payment of Rs.45.75 lakh released to 18 firms during the period from July 1995 to November 1999 was lying unadjusted (March 2004). On this being pointed out in audit, Board stated (June 2004) that Rs.7.44 lakh only has been adjusted.

The process of adjustments has been very slow affecting fund flow adversely.

6.2.22 Subsidy receivable

Board was undertaking rural electrification (RE) work in the State. Difference between total expenditure on supply of electricity to rural areas and revenue demand was being claimed as RE Subsidy from the State Government.

The details of RE Subsidy claimed by Board, the amount received from the State Government, and the balance of subsidy yet to be received from the State Government, during the period from 1999-2000 to 2003-04 are given below:

Table 6.15

(Rupees in lakh)

		*			(40	upces in anni,
	Year	Opening Balance	Subsidy claimed for the year	Subsidy received during the year	Percentage of subsidy received	Balance
	1999-2000	5694.110	2345.075	930.00	11.57	7109.185
-	2000-01	7109.185	2325.480	950.00	10.07	8484.665
	2001-02	8484.665	2445.221	1100.00	10.06	9829.886
	2002-03	9829.886	1941.265	1080.00	9.18	10691.151

It could be seen from the above details that though there was steady increase in the amount of subsidy received from the Government, the maximum subsidy received was only 11.57 per cent in 1999-2000. As on 31 March 2003 the outstanding subsidy due from Government was Rs.106.91 crore. This had adversely affected the liquidity position of Board. Board in reply (June 2004) admitted the facts.

6.2.23 Internal Control

Having an Accounts Manual to guide the concerned personnel in their day to day activities is a fundamental requirement of any internal control mechanism. Board did not prescribe any such Accounts Manual. There was, thus, no clear-cut guidelines regarding collection and remittance of revenue, retention of funds in banks either in current accounts or in short term deposits, nor were there any pre-determined minimum and maximum amounts of cash that could be held in a division. Another fundamental requirement of internal control which is inspection of subordinate formations by higher management personnel was also not being followed in Board.

Board has an Internal Audit Wing with one Senior Accounts Officer, one Accounts Officer, two Assistant Accounts Officers and one Section Officer. The Internal Audit Wing covered 11 divisions in 2000-01, four divisions in 2001-02, seven divisions in 2002-03 and two in 2003-04. There were 705 paragraphs of Internal Audit Reports outstanding against 30 divisions as at the end of 2002-03 which shows that these paragraphs were not getting the priorities that they deserved. As on March 2004, Internal Audit was in arrears by four years in respect of 10 divisions, three years in respect of two divisions and one year in respect of 10 divisions. The gradual reduction in coverage as well as the heavy arrears indicated the inadequacy of the internal audit arrangement.

Board in its reply (June 2004) stated that the Audit Wing had its own Audit Manual. However, having an audit manual was not of much help since there

was no Accounts Manual to standardise and streamline the procedures relating to accounts maintenance functions.

The above matters were reported to Government in July 2004 and followed up with a reminder in November 2004; reply had not been received (November 2004).

Conclusion

Efficient fund management requires concerted efforts to garner resources at the cheapest rates and at the right time, keeping in view the expenditure needs. Review of the fund management of Board revealed cases of short billing and poor collection of revenue. Board also failed to revise the load security deposit. Power supply to consumers who had not made payment of energy bills in time was not disconnected. Board had not fixed any cash holding limit for its Divisions. Instead of availing of rebate for timely payment of power purchase bills late payment surcharge was paid, in several cases. Board suffered revenue loss because of grant of higher rate of rebate to EHT consumers.

Board needs to strengthen its fund management by way of

- ensuring efficient revenue collection;
- defining clearly the cash holding limits of its Divisions;
- revision of load security deposit in tune with tariff revision;
- ensuring timely payment of power purchase bills to get the benefits of rebate on offer and formulation of a rebate policy so as to avoid payment of higher rebate on sale of power while getting lower rate of rebate on payment made for purchased power.

SECTION 'B': PARAGRAPHS

FOREST & ENVIRONMENT, INDUSTRIES, MINING & GEOLOGY, PUBLIC WORKS AND TOURISM DEPARTMENTS

6.3 Delay in finalisation of accounts by the State Public Sector Undertakings

6.3.1 Statutory provisions for finalisation of accounts

In terms of Sections 166, 210, 230, 619 and 619(B) of the Companies Act, 1956, the accounts of Government companies for every financial year are required to be finalised within six months from the end of relevant financial year. Further, according to the provisions of Section 619-A(3) of the Act, *ibid*, the State Government is required to place an annual report on the working and affairs of each State Government company before the Legislature together with a copy of Audit Report and comments thereon made by the Comptroller and Auditor General of India (CAG) within three months of receipt of such report.

6.3.2 Extent of arrear in finalisation of accounts

As of 31 March 2004, there were 10 State Government companies of which only one company viz., Mawmluh Cherra Cements Limited (MCCL) had finalised its accounts for 2002-03. The accounts of remaining nine companies with investment aggregating Rs.82.72 crore were in arrears for periods ranging from one to 14 years.

Besides non-compliance with the Statutory provisions, delay in finalisation of accounts opens the system to risk of fraud and leakage of public money.

6.3.3 Reasons for delay in finalisation of accounts

Audit analysis revealed that the reasons for delay in finalisation of accounts were attributable to (i) abnormal delay in compilation/approval of the accounts and delayed submission of the same to the Statutory Auditors by the management, (ii) absence of programme for audit leading to delay in audit and certification by the Statutory Auditors, (iii) delay in adoption of accounts in Annual General Meeting (AGM) and (iv) lack of required control over the companies by Government. These are discussed in succeeding paragraphs.

6.3.4. Delay in approval and submission of accounts to Statutory Auditors

None of the companies had prepared its accounting manual detailing accounting procedures and duties, power and responsibilities of accounts staff. Further, there was lack of qualified accounting staff. Except MCCL and MIDC, the annual accounts of other eight companies were got compiled by engaging Chartered Accountant firms appointing them as internal auditors.

No time bound action plan for compilation/approval of accounts had been prepared by the companies. In absence of this, the compilation and approval by Board took abnormally long time after close of financial year varying from four to 161 months in respect of nine companies. The approved accounts were submitted to Statutory Auditors by the Management with delay varying from seven to 2,209 days in respect of nine companies.

6.3.5 Delay in certification of accounts by Statutory Auditors

The company was to draw a suitable programme for early completion of audit and the Auditors were to complete the audit within the schedule stipulated by the Management so that the statutory time schedule for placing the accounts in the AGM could be adhered to.

No audit programme stipulating schedule for audit and certification had, however, been drawn by any of the companies. The Statutory Auditors took inordinately long time varying from four to 545 days for certification of accounts after handing over of accounts by the Management. Further, it was observed that the accounts for the year were certified by the Statutory Auditors after six to 1,209 days since the date of adoption of previous years accounts.

6.3.6 Delay in holding of AGM

Section 171 of the Companies Act, 1956 provides that an AGM of a company may be called by giving a notice for 21 days or for shorter period if so consented by the members entitled to vote. Thus, a Government Company could hold its AGM within a maximum period of 30 days of receipt of comments/non-review certificate of CAG.

The companies took six to 331 days in convening the AGM in terms of Section 171 of the Companies Act, 1956. This adversely affected the clearance of arrear of accounts.

6.3.7 Action by the Government

The Government exercises its control over the companies through the concerned administrative department and Finance Department.

In terms of Memorandum and Articles of Association of these companies, the Government has the power to issue directives in the interest of the company. To fulfill these obligations, the Government was expected to take concrete steps to ensure that the accounts of these companies were finalised in time.

The position of arrears in finalisation of accounts were brought to the notice of the Government every six months. However, the position has not shown any improvement.

The matter was reported to Government in July 2004. Government (Tourism, Forest & Environment and Mining & Geology Departments) stated (October, November and December 2004) that appropriate steps were being taken by Meghalaya Tourism Development Corporation Limited, Forest Development Corporation Limited and Meghalaya Mineral Development Corporation Limited to clear the backlogs. Replies of Government (Industries and Public Works Departments) in respect of seven companies had not been received (December 2004).

INDUSTRIES DEPARTMENT

MEGHALAYA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

6.4 Irregular sanction of Loan to Sick Units

Contrary to Government directives loan of Rs.3.50 crore sanctioned to two sick units have become doubtful of recovery.

The State Government provided between December 2000 and March 2002 Rs.18.33 crore as share capital out of additional Central assistance fund to Meghalaya Industrial Development Corporation Limited (MIDC) for extending financial assistance to industrial units. The Government's sanction (December 2002) contemplated, *inter alia*, that (a) the units selected for financial assistance should be technically and economically viable which can generate income for repayment of principal and interest and (b) complete tie up to be maintained for recovery of dues with a view to enable the company to recycle the funds.

The Company sanctioned (April 2002) working Capital loan of Rs.2 crore to Jaintia Cements Private Limited (JCPL) and term loan of Rs.1.50 crore to

Bomber Cement Plant Private Limited (BCPPL). Both the loans carried interest at the rate of 12 per cent per annum (plus 4 per cent per annum on delayed payment). The loan was to be repaid within three years (JCPL) and seven years (BCPPL), first installment of principal being due for payment from October 2002 and November 2002 respectively.

Scrutiny (July 2003) of the records of MIDC revealed that:

- (a) As per accounts of JCPL for 1999-2000 submitted with the project report, the accumulated loss stood at Rs.14.31 crore as a result of which the net worth was negative (Rs.10.55 crore). Similarly, as per submitted accounts of BCPPL for 2000-01 (neither authenticated nor certified) the accumulated loss was Rs.1.54 crore and had negative net worth (Rs.1.36 crore). It was further observed that MIDC had invested (1988) Rs.26.05 lakh as equity in JCPL but did not get any dividend while in respect of BCPPL the company had waived interest of Rs.46.09 lakh and adjusted Rs.1.15 crore defaulted in repayment of earlier loans with the current loan. In spite of the sickness of the companies, the Core Group consisting of members of the Government and Managing Director sanctioned the loans violating the Government directives. The performance of the units after disbursement of loan had also not been monitored.
- (b) As per sanction (April 2002) the assisted units were to maintain complete tie up with the Company for repayment of recoverable amount in three years (JCPL) and seven years (BCPPL) on half-yearly basis, as per recovery schedule. No repayment or recovery schedule was, however, prepared.
- (c) None of the units has repaid (June 2004) any instalment of principal although a total amount of Rs.1.72 crore (JCPL: Rs.1.32 crore; BCPPL: Rs.0.40 lakh) had become overdue

The Management in reply (February 2004) while admitting the facts stated that (i) loan to JCPL was provided as working capital to enable the company to overcome its difficulties and (ii) while the BCPPL after commissioning its plant in February 1999 found problems in plant and machinery and loan was provided as a rehabilitation package.

Thus, the sanction of loan of Rs.3.50 crore to these industrial units was in contravention to Government's directives. The chances of recovery of the loan amount is also doubtful due to the sickness of both the units.

The matter was reported to Government in July 2004. Government stated (January 2005) that JCPL had refunded Rs.8.11 lakh towards principal and the Corporation had been instructed to make efforts to recover the outstanding amounts from the companies.

POWER DEPARTMENT

MEGHALAYA STATE ELECTRICITY BOARD

6.5 Excess payment

Excess payment of Meghalaya Finance Tax (MFT) amounting to Rs.65.22 lakh due to wrong application of rate.

Under the Meghalaya Financial (Sales Tax) Act, steel tabular poles being a declared goods under the Central Sales Tax Act, attracts sales tax at the rate of 4 per cent on the value of sales.

Test-check (November 2003) of the records of Material Management Division, Shillong revealed that during the period April 2000 to March 2003 the local supplier of 'steel tubular poles' had claimed MFT at the rate varying from 5.3 to 13.2 per cent over the sale price, which was admitted and paid by the division. The total MFT paid was Rs.97.67 lakh on the cost of 34,716 steel tubular poles worth Rs.8.11 crore (base price) instead of the applicable rate of 4 per cent resulting in excess payment of Rs.65.22 lakh (Rs.97.67 lakh – Rs.32.45 lakh).

Board in reply (June 2004) admitted the facts. The Government endorsed (September 2004) the reply of Board.

6.6 Irregular procurement of materials

Deviation from purchase policy resulted in excess and unindented procurement of materials valued at Rs.17.78 lakh.

Based on indents and requirements of executing divisions against approved works and subject to availability of funds, the Material Management Division (MMD) of Board issues purchase and supply orders for procurement of materials at rates approved by the Purchase Committee.

Test-check (December 2003 and June 2004) of records revealed that the MMD started procurement of materials from April 2002 under Pradhan Mantri Gramodaya Yojana (PMGY) - II for electrification of 70 villages without having indents from the executing divisions. Funds were also not received from the Government under the scheme. The procurement was, however, made by diverting fund from Minimum Needs Programme (MNP). In

September 2002, the Superintending Engineer, Distribution Circle submitted indents for 52 items of materials (valued at Rs.3.97 crore) under the PMGY-II scheme.

Scrutiny in audit revealed that MMD procured (April-December 2002) 29 items (valued Rs.2.65 crore) under the scheme; of these five items (valued Rs.5.08 lakh) were not indented by the executing divisions; of the remaining 24 items (indented by the executing divisions), six items (valued Rs.12.70 lakh) were purchased in excess of the indented quantity.

Thus, excess and unindented procurement was not only irregular but also led to idle investment of Rs.17.78 lakh.

Further, because of diversion of funds from MNP to PMGY-II, 54 villages could not be electrified under MNP Scheme as on March 2004.

Board in reply (October 2004) admitted the facts and stated that the procurement of materials against the scheme without obtaining fund was initiated with a target of completion in time. The Government endorsed (October 2004) the reply of Board. The fact thus, remains that the purchase of materials was made in deviation from the purchase policy of Board.

TRANSPORT DEPARTMENT

MEGHALAYA TRANSPORT CORPORATION

6.7 Loss of revenue and unrealised rent

Loss of revenue of Rs. 16.84 lakh due to fixation of rent at lower rate and unrealised dues amounting to Rs.21.66 lakh.

The existing monthly rent of hired out rooms and open spaces of Corporation's main building at Jail Road, Shillong was fixed at Rs.110 and Rs.73 per sq. mtr. respectively in 1992. In January 2001, the Managing Director, without inviting quotations, accepted the offer of a private party and let out the entire third floor (area 607 sq. mtr.) and the terrace (area 435 sq.mtr.) of the building for running a hotel at a monthly rent of Rs.48,990 (Rs.47.02 per sq. mtr.). Accordingly, the Managing Director executed an agreement with the party and allotted the entire third floor and terrace with tenancy effective from August 2001. Though the approval of the Chairman of

the Corporation was taken, Board's approval was not taken. The reasons for letting out the floor of the building at a rate (Rs.47.02 per sq. mtr.) much lower than the rates fixed in 1992 was not available on record. The monthly rent chargeable at the rate of rent fixed in 1992 works out to Rs.98,525 (607 sq. mtr. @ Rs.110 plus 435 sq. mtr. @ Rs.73). Due to fixation of rent at a lower rate, the Corporation incurred loss of revenue amounting to Rs.16.84 lakh from August 2001 to May 2004 (Rs.98,525 – Rs.48,990).

Further, as per terms of agreement the party was to pay Rs.5 lakh as security deposit within 90 days of the agreement and the rent was to be paid by 10th of each month. In case of default interest at the rate of 15 per cent per annum was leviable. The security deposit was not initially paid by the tenant. Clause 14 of the agreement, however, provided for adjustment of the cost of modification and addition and alteration made by the tenant to the existing structure out of the rent payable or security deposit. The hotel started functioning from September 2001. It was further observed that certain modifications or addition and new construction (which remain un-assessed) had been done by the tenant without any approval of the Corporation. Inclusion of the Clause 14 in the agreement giving the absolute rights to the tenant to carry out modification, addition or alteration was not in the interest of the Corporation and led to non-realisation of Rs.21.66 lakh till May 2004 towards rent amounting to Rs.16.66 lakh since August 2001 to May 2004 (Rs.48990 x 34 months) and security deposit of Rs.5 lakh. recovery of the dues is also rendered doubtful.

On these being pointed out in Audit, the Management stated (July 2004) that (a) the rent was finalised at the lower rate due to lack of interested parties, (b) the actual allotment was 65 per cent of the total areas, (c) security deposit of Rs.5 lakh has been realised in July 2004, (d) steps have been taken for realisation of rent by issue of notices and personal contacts or by initiating legal action, and (e) measures were being taken to modify the unfavourable clause of the agreement. The reply is not tenable as (a) the rent was finalised on the basis of a suo motu proposal without calling for tenders, and (b) the area of allotment stated in the reply contradicts the area of allotment specified in the agreement and its schedule. Further development in respect of (d) and (e) of reply are awaited (October 2004). The Government endorsed (October 2004) the replies of the management without any comment.

CHAPTER VII INTERNAL CONTROL ARRANGEMENTS Internal Control Mechanism in Finance Department

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CHAPTER VII: INTERNAL CONTROL ARRANGEMENTS

FINANCE DEPARTMENT

7.1 Internal Control Mechanism in Finance Department

7.1.1 Introduction

Internal control is a management tool used to provide reasonable assurance that management's objectives, viz., reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations, etc., are being achieved. A good system of internal control should comprise inter alia (i) proper allocation of functional responsibilities within organisation, (ii) proper operating and accounting procedures to ensure the accuracy and reliability of accounting data and (iii) the review of the work of one individual by another whereby the possibility of fraud or error is minimised.

Internal audit is an appraisal activity established within an entity as a service to the entity. Its functions, *inter alia*, include examining, evaluating and monitoring the adequacy and effectiveness of the accounting and the internal control system. Internal audit works as the 'eyes and ears' of the management. It also helps the management to bring out changes in the system necessary to rectify and prevent defects, loopholes and shortcomings that are detected and pointed out.

7.1.2 Organisational set up

For effective financial management and internal control, the Finance Department has seven branches, viz., Establishment, Control, Economic Affairs, Budget, Audit and Fund (A&F), Pay Revision and Pension. The Chief Secretary is the overall in-charge of the department and is assisted by the Commissioner and Secretary, Additional Secretary, Joint Secretary, besides Deputy Secretary, Under Secretary and Superintendent of the respective branches. The department is also assisted by the Director of Accounts and Treasuries (DAT) and the Examiner of Local Accounts (ELA). While the training in Government finance, accounts and audit as well as rendering advice to the Government on financial and accounts matters is the responsibility of the DAT, the ELA is responsible for conducting internal audit.

The duties, powers and functional jurisdiction of the ELA as prescribed under the notification of October 1990 are (i) to examine and carry out the audit of accounts of local bodies and accounts of various departments of the Government, aided educational institutions, other organisations as specified in the Local Audit Manual and such other accounts of organisations/offices, etc. as may be entrusted by the Government from time to time in this regard and to pass and issue Audit/Inspection Report thereon and, (ii) to supervise and inspect the audit of the aided institutions/organisations and offices throughout the State.

7.1.3 Manpower

For comprehensive and effective internal audit, skilled manpower is necessary. The men-in-position for internal audit *vis-à-vis* sanctioned strength as of March 2004 was as follows:

Table 7.1

Posts	Sanctioned strength	Men-in-position
Audit Officer	27	9
Auditor	35	35
Assistant Auditor	72	54

Source: Information furnished by the ELA.

Out of existing manpower, the services of two Audit Officers and 13 Assistant Auditors are placed at the disposal of nine Directorates and two Audit Officers and three Auditors are attached to the Directorate of Local Accounts for scrutinising Inspection Reports received from the field audit staff and calculation of Death-cum-Retirement Gratuity, etc. The remaining five Audit Officers, 32 Auditors and 41 Assistant Auditors are with the ELA and their services are utilised for conducting audit of various accounts and fixation of pay in the revised scale of deficit schools.

The position of manpower for internal control management as of March 2004 was as under:

Table 7.2

Post	Men-in- position	Deployment
Examiner of Local		In the individual Directorate of
Accounts	1	(i) Examiner of Local Accounts
Director	1	(ii) Accounts and Treasuries
Officer on Special Duty	1	Finance Department
Financial Adviser/Finance and Accounts Officer	19	Deployed in different departments/directorates
Finance & Accounts Officer	14	One in Directorate of Housing & Social Welfare and 13 in Treasuries as TO/STO

Source: Information furnished by the Finance (Establishment) Department.

7.1.4 Auditing standards

To ensure the quality of the audit and to avoid sub-standard work, auditing organisations frame either their own auditing standards or adopt some prevailing and accepted auditing standards. The work done by the auditors should continuously be compared to the adopted standards to ensure quality. The ELA had not yet framed any auditing standards. Internal Audit Manual of their own had not been brought out by the Directorate/Government and the auditors had been following the Assam Local Funds (Accounts and Audit) Act, 1930 as adopted by the Government of Meghalaya. According to the department, besides the Act of 1930 other rules framed by the Government as standard for auditing were also followed by the Local Audit Department. Details of such rules had not been furnished.

7.1.5 Audit planning

For efficient and optimum utilisation of the limited manpower and financial resources, audit planning is required to be done every year. This ensures coverage of all required units over a period of time, prioritisation of auditee organisations in audit according to need, finalisation of time schedule for audit, *etc.* No such planning was ever done by the ELA, with the exception of grants-in-aids institutions where audit is taken up as per plans and programmes drawn up by the ELA. Consequently, most of the auditee units remained uncovered, as discussed in paragraph 7.1.6 below.

7.1.6 Reporting, issuance and monitoring of Inspection Report

The ELA had not fixed any time limit for issuance of Inspection Reports (IR) to guard against any delay.

Auditors from the field after conducting audit send the IRs to the ELA for record and pursuance. Copies of IRs are also sent to the administrative heads for their information. According to the department, the Audit Reports are monitored through individual files of auditee institutions and the time limit fixed for issuance of Audit Report was soon after completion of audit. Reasons for not fixing specific period for issue of IRs had not been furnished.

The target for coverage of auditee units during 2001-2004 against 1,226 units under the jurisdiction of the ELA and the achievement thereagainst were as under:

Table 7.3

Year		Units targeted (Percentage with reference to total units)	Unit covered by audit (Percentage)	by audit shortfall		Number of Inspection Report (IR) issued	Number of IR settled	Number of IR outstanding (Percentage)	
				total units	target				
200	01-02	702 (57)	104 (15)	92	85	88	50	38 (43)	
200	02-03	765 (62)	130 (17)	89	83	124	60	64 (52)	
200	03-04	730 (60)	120 (16)	90.	84	78	70	8 (10)	

Source: Information furnished by the DAT.

The table above shows that though the target for coverage was only 57 to 62 per cent of the total units, the ELA failed to cover 83 to 85 per cent of the said target. Consequently, most of the auditee units (89 to 92 per cent) remained uncovered, reasons for which were not on record.

7.1.7 Independence of internal audit

For an effective internal audit, it is necessary that functional independence of the group is ensured so that it is able to function in an objective manner.

According to the existing system, audit of the Government departments/offices is taken up only when a request comes from the respective heads of the departments/offices. This indicates that internal audit has no free access to Government departments/offices.

7.1.8 Training

Staff training is one of the important aspects of manpower development. Training of the internal audit staff plays a vital role in equipping them with latest development/changes in the system of maintenance of accounts or new technology. The audit staff of the ELA has to pass the prescribed course of training as per the provisions of the Service Rules. No other training for improvement of the quality of audit is imparted.

7.1.9 Failure of the internal control system

The system of internal control in the Finance Department was not really effective as exemplified in the following cases:

(i) Computerisation of Treasuries and Accounts

To improve management control of both the State and the district level administration and for speedy and accurate generation of accounts for the purpose of better planning and monitoring, the Tenth Finance Commission had recommended computerisation of treasuries and earmarked Rs.50 lakh for the purpose.

The National Informatics Centre (NIC), Meghalaya State Unit was assigned (1997-98) the job for computerisation of treasuries in the State. As of July 2004, installation of computer network in three out of eight treasuries and the Directorate of Accounts and Treasuries was completed at a cost of Rs.26.93 lakh^(a). In four treasuries, the work of computerisation was still in progress and the expenditure so far was Rs.21.09 lakh^(a). In the remaining one treasury and five sub-treasuries, installation of computer network was yet to be completed after incurring an expenditure of Rs.10.06 lakh out of Rs.1 crore recommended by the Eleventh Finance Commission (EFC) for computerisation of treasuries and sub-treasuries. Further amount of Rs.80.96 lakh out of the EFC's award was also drawn on Abstract Contingent (AC) Bill by the DAT and kept in 'Deposit-at-call' with the State Bank of India, Shillong in April 2004.

Thus, failure to complete installation of the computer network in the treasuries/sub-treasuries even after six years and despite availability of required funds indicated lack of internal control in timely utilisation of funds to achieve the desired objectives.

(ii) Lack of control over sanctioned funds

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are to submit Detailed Countersigned Contingent (DCC) Bills to the Accountant General against the drawal of AC Bills within a month from the date of drawal.

From the details furnished (July 2004) by the Finance (A&F) Department, it was noticed that drawal of Rs.12.61 crore on AC Bills by different departments was approved by the Finance (A&F) Department between April 2003 and March 2004 with instruction to regularise the amount within one month of drawal. But the Finance Department had not yet received any intimation from the concerned departments regarding utilisation of the said funds. Absence of this information with the Finance Department, even after four months to over one year of according approval for drawal of funds, indicated a serious deficiency in control over expenditure by Finance.

⁽a) Provisional figure as the final expenditure figure had not been furnished by the DAT.

(iii) Inaccuracy in preparation of revised estimates

According to the Assam Budget Manual (adopted by Government of Meghalaya), the actuals of previous years and the revised estimates ordinarily form the best guide in framing the budget estimate. The revised estimate should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of requirements.

Significant cases of variations between the revised estimate and the actuals during 2002-03 under both receipt and expenditure heads of accounts are given in Appendix XLI. Wide variations (24 to 56 per cent under receipts and 26 to 99 per cent under expenditure) indicated absence of proper care in estimating the revised provisions by the concerned controlling officers as envisaged in the Budget Manual and failure of the Finance (Budget) Department in exercising adequate check over the rough preliminary revised estimates.

(iv) Unnecessary demand for supplementary grant

According to the Budget Manual, no supplementary demand will be accepted by the Finance Department unless it is accompanied by a specific statement to the effect that the existing provision under the appropriate Grant has been examined and it has been found that there will be no saving available therefrom to meet the present need.

It was noticed that savings under various Grants for the year 2003-04 were surrendered by the concerned controlling officers during the year despite obtaining supplementary provisions. Details of some of the such cases are given in Appendix XLII. Evidently, the Finance (Budget) Department accepted the supplementary demands without the prescribed statement or the statement was defective and thus, the department failed to exercise its control over the supplementary demands and point out the defects.

7.1.10 The matter was reported to Government in September 2004 and followed up with a reminder in November 2004; reply had not been received (November 2004).

7.1.11 Recommendations

On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made:

- Internal control system in the Finance Department needs to be streamlined for realistic presentation of budgetary documents.

- Efforts need to be made to cover more units by internal audit so as to ensure transparency in fiscal management.
- Independence of the internal audit system needs to be ensured.

(Rajib Sharma)

Shillong

The

5 MAY 2005

Principal Accountant General (Audit)
Meghalaya, Arunachal Pradesh and Mizoram

Countersigned

New Delhi

The

1 9 MAY 2005

(Vijayendra N. Kaul)
Comptroller and Auditor General of India

APPENDICES

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APPENDIX I

List of terms used in the Chapter I and basis for their calculation

(Reference: Box 1.2; Page 5)

Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X) Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	[(Current year Amount/Previous year Amount)-1] * 100
Trend/Average	Trend of growth over a period of 5 years (LOGEST (Amount of 1998-99: Amount of 2003-04)-1) * 100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest Payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2] * 100
Interest spread	GSDP growth – Weighted Interest rates
Interest received as per cent to Loans Advanced	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2] * 100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances - Revenue Receipts - Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048 – Appropriation for Reduction or Avoidance of Debt

APPENDIX II

Statement showing year-wise and department-wise cases of misappropriation, losses, etc. (Reference: Paragraph 1.7.2; Page 15)

I - Year-wise position

(Rupees in lakh)

-	DY .	Amount
Year	Number of cases	Amount
Up to 1990-91	35	7.59
1991-92	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3.34
1992-93	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0.92
1993-94	5.5	7.00
1994-95		
1995-96	2	2.00
1996-97	2	21.49
1997-98	18	2.43
1998-99	16	102.96
1999-2000	3	4.35
2000-2002		•••
2002-03	100000000000000000000000000000000000000	1.23
2003-04	2	1.28
Total	86	154.59

II - Department-wise position

(Rupees in lakh)

SI. No.	Department	depar action been	in which tmental had not started	depart Po	s under tmental/ blice tigation	Cases in the Court of Law		Cases awaiting orders for recovery/write off		Total	
	75	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Education	· • • •	•••	. 1	0.03				•••	1	0.03
2.	Public Works	•••		6	4.97		8		•••	, 64	4.97
3.	Health and Family Welfare		•••	3	5.47	2 ***				3 x	5.47
4.	Home (Police)	•		1	0.18		•••	. 1	0.03	2	0.21
5.	Agriculture	1.	0.23	1	0.44	•••	• • • •			2	0.67
6.	Public Health Engineering	•	•••	55	6.41		•••	1	0.58	56	6.99
7.	Animal Husbandry and Veterinary	10 P	•••	1	0.10	1	1.00	•••		2	1.10
8.	Legislative Assembly	•	•••	1.	3.34		•••	•••	, ;···	1	3.34
9.	Finance		** ** ** * * * *	2	87.15	1	0.92			3	88.07
10.	Forest	• • • •		1	2.14		•••	•••	4.00	1"	2.14
11.	General Administration					1	0.05	•••	•••	1 ,	0.05
12.	Land Revenue	1	1.00		•••		•••	•••	7 + 7 	1	1.00
13.	Mining and Geology	2	17.64	•		•••	•••	1	0.72	2	17.64
14.	Soil Conservation			1 . 1.	2.17		*: ·	•••		2	2.89
15.	Printing and Stationery		•••	10	15.76	•••		•		1	15.76
16.	Community and Rural Develop-		3.03	•••			•••			1	3.03
17.	ment Sericulture and Weaving	1.	1.23	•••	* *** * ***		•••	1 S		- 1	1.23
	Total	6 -	23.13	74	128.16	3 -	1.97	3	1.33	. 86	154.59

APPENDIX III

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF MEGHALAYA AS ON 31 MARCH 2004

	(Reference: Paragraph 1.8.1; Page 15		umaas in anama)
As on 31	Liabilities 1	(11)	As on 31
March 2003			March 2004
	External Debt		
714.68	Internal Debt	T 700 00	915.94
551.09	Market loans bearing interest	700.39	
0.04	Market loans not bearing interest	0.04	
2.29	Loan from LIC	2.00	
161.26	Loans from other Institutions	213.51	•
•••	Ways and Means Advances		
• • • • • • • • • • • • • • • • • • • •	Overdraft from Reserve Bank of India	•••	
419.32	Loans and Advances from Central Government	10.70	386.20
11.80	Pre 1984-85 Loans	10.78	• .
76.55	Non-plan Loans	12.83	
313.03	Loans for State Plan Schemes	343.90	4
0.29	Loans for Central Plan Schemes	0.28	
10.05	Loans for Centrally Sponsored Plan Schemes	10.29	,
7.60	Loans for Special Schemes	8.12	
6.00	Contingency Fund		6.00
331.04	Small Savings, Provident Funds, etc.		412.52
347.93	Deposits		225.07
28.01	Reserve Funds		31.65
0.25	Remittance Balances		•••
1008.46	Surplus on Government Accounts	ŧ.	1093.60
1008.46	(i) Revenue Surplus as on 31 March 2003	1008.46	
	(ii) Revenue Surplus for the year 2003-04	85.14	
2855.69			3070.98
	Assets		
2218.62	Gross Capital Outlay on Fixed Assets		2453.92
152.32	Investment in shares of Companies, Corporation, etc.	162.89	
2066.30	Other Capital Outlay	2291.03	
418.62	Loans and Advances		470.30
293.28	Loans for power projects	342.24	
21.83	Other Development Loans	22.31	,
103.51	Loans to Government Servants and miscellaneous loans	105.75	, '
13.54	Investment of Earmarked Funds		19.01
1.40	Advances		1.32
70.05	Suspense and Miscellaneous Balances		106.27
6.00	Appropriation to Contingency Fund		6.00
•••	Remittances	4	2.43
127.46	Cash		11.73
10.20	Cash in Treasuries	4.84	
(-) 15.06	Deposits with Reserve Bank of India	(-) 150.11 ⁻	
0.34	Departmental Cash Balance	0.39	·
	Permanent Advances		 -

156.61

3070.98

131.98

2855.69

Cash Balance Investment

APPENDIX IV ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2003-04 (Reference: Table 1.3 & Paragraph 1.8.1; Pages 6 & 15)

2002-03	Receipts	2003-04	2002-03 Disbursements					pees in crore) 2003-04	
2002 00	1 Meccipis	2005 04		-A: Revenue				1 2003-04	
	The state of the s		200.01	I. Revenue	Non-	Plan	Total		
	I. Revenue Receipts			Expenditure	Plan				
144.87	Tax Revenue ^(a)	177.68	483.85	General Services	506.40	19.63	526.03	526.03	
92.78	Non-Tax Revenue	128.95	425.89	Social Services	313.85	165.29	479.14	479.1	
176.11	State's Share of Union Taxes and Duties ^(b)	225.08	240.75	Education, Sports, Art and Culture	182.53	85.28	267.81		
407.74	Non-Plan Grants	329.33	81.86	Health and Family Welfare	53.94	28.62	82.56	f	
373.15	Grants for State Plan Schemes	461.50	67.11	Water Supply, Sanitation, Housing and Urban	54.01	15.75	69.76		
				Development	The transfer				
76.44	Grants for Central Plan and Centrally Sponsored Plan Schemes	63.16	2.83	Information and Broadcasting	1.79	1.38	3.17		
	Grants for Special			Welfare of Scheduled	Y		7.1		
17.84	Plan Schemes	13.13	1.01	Castes, Scheduled Tribes and Other	5.16	5.00	10.16		
 	1 414			Backward Classes		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
		44	5.00	Labour and Labour Welfare	4.02	1.62	5.64		
		ing the solution of the soluti	25.19	Social Welfare and Nutrition	10.11	27.64	37.75		
			2.14	Others	2.29	10401	2.29	200.5	
			294.81 116.94	Economic Services Agriculture and Allied Activities	183.71 76.68	124.81 45.29	308.52 121.97	308.5	
		h	60.84	Rural Development	10.94	46.38	57.32		
			0.10	Special Areas Programmes		1.33	1.33		
			9.01	Irrigation and Flood Control	7.04	2.49	9.53		
			11.36	Energy	10.35	8.88	19.23		
			41.55	Industry and Minerals	27.02	13.57	40.59		
			38.43	Transport	40.22		40.22		
			0.11	Science, Technology and Environment	0.11	(c)	0.11		
			16.47	General Economic Services	11.35	6.87	18.22		
	PS on stem by the last of the state of the s	Ing. 10.0 (2.12.2)		Grants-in-aid and contributions	A Service of the serv		• • •		
1288.93	Total	1398.83	1204.55	Total	1003.96	309.73	1313.69	1313.6	
	II. Revenue Deficit carried over to Section B	•••	84.38	II. Revenue Surplus carried over to Section B		D = 0		85.1	
100									

⁽a) Excluding share of net proceeds of taxes and duties assigned to State (b) Share of net proceeds assigned to State.
(c) Rs.2,903/-

2002-03	Receipts	2003-04	2002-03	Dis	bursemen	ts	91.00	2003-04
	Section - B.: Others							
		i i			Non- Plan	Plan	Total	
43.06	43.06 HII. Opening Cash Balance including permanent advances and cash balance investment		•	III. Opening Overdraft from RBI		•••		
•••	IV. Miscellaneous Capital Receipts	•••	186.06	IV. Capital Outlay	•••	235.30	235.30	235.30
-		,	7.00	General Services	,	24.76	24.76	24.76
			68.02	Social Services		83.83	83.83	83.83
		4 - "	1.55	Education, Sports, Art and Culture	•••	1.26	1.26	
	us .		11.89	Health and Family Welfare	•••	14.32	14.32	*.
			50.03	Water Supply and Sanitation		59.89	59.89	
			2.61	Housing and Urban Development		3.99	3.99	
i i			1.94	Social Welfare and Nutrition	•••	4.37	4.37	
			111.04	Economic Services		126.71	126.71	126.71
			5.01	Agriculture and Allied Activities	***	3.60	3.60	
			0.14	Rural Development		3.11	3.11	1
			6.68	Special Areas Programmes		13.78	13.78	
			6.61	Irrigation and Flood Control		6.17	6.17	
			5.20	Industry and Minerals		8.10	8.10	
			87.40	Transport-		91.85	91.85	}
				General Economic Services		0.10	0.10	

2002-03	Receipts	2003-04	2002-03	Disbursements	2003-04
15.43	V. Recoveries of Loans and	18.12	74.88	V. Loans and Advances Disbursed	69.80
	Advances				<u> </u>
	From Power Projects 1.19		56.19	For Power Projects 50.15	
15.61	From Government	1	17.54	To Government Servants 18.68]
	Servants 16.43				
(-)0.18 ^(d)	From Others 0.50] •	1.15	To Others 0.97] .
84.38	VI. Revenue Surplus brought down	85.14	•••	VI. Revenue Deficit brought down	
295.33	VII. Public Debt receipts	319.21	123.11	VII. Repayment of Public Debt	151.07
157.09	Internal debt other than Ways		15.63	Internal debt other than Ways and	
·	and Means Advances and			Means Advances and Overdraft 34.80	
	Overdraft 236.06				
	Net transactions under Ways		.,.	Net transactions under Ways and Means]
	and Means Advances including			Advances including Overdraft	,
	Overdraft ^(e)]]
138.24	Loans and Advances from	1.	107.48	Repayment of Loans and Advances]
	Central Government 83.15			to Central Government 116.27	
934.68	VIII. Public Account Receipts	874.47	861.37	VIII. Public Account Disbursements	956.50
96.51	Small Savings and		31.42	Small Savings and Provident	
-	Provident Funds 119.66]		Fund 38.18	
9.01	Reserve Funds 10.04		6.59	Reserve Funds ^(g) 11.87	
251.89	Deposits and Advances 154.30	·	199.58	Deposits and Advances 277.08]
47.83	Suspense and	1 .	. 12.72	Suspense and Miscellaneous ^(h) 25.37	t-
	Miscellaneous ^(h) (-) 10.85	-]
529.44	Remittances 601.32		611.06	Remittances 604.00	
•••	IX. Closing Overdraft from	• • •	127.46	IX. Cash Balance at end	11.73
	Reserve Bank of India		10.20	Cash in Treasuries 4.84	
			(-) 15.06	Deposits with Reserve Bank (-) 150.11	<u>'</u>
	:		0.34	Departmental Cash Balance 0.39]
		, s	131.98	Cash Balance Investment 156.61	, , ,
1372.88	Total	1424.40	1372.88	Total	1424.40

Minus credit (Loans for Urban Development: (-) Rs.0.33 crore) was due to clearance of earlier years misclassification.

⁽e) Represents receipts Rs.50.99 crore and disbursements Rs.50.99 crore.

Includes disbursement on investment.

⁽h) Excluding 'Other Accounts'.

APPENDIX V

SOURCES AND APPLICATION OF FUNDS (Reference: Paragraph 1.8.1; Page 15)

(Rupees in crore)

2002-03	SOURCES	2003-04
1288.93	1. Revenue receipts	1398.83
15.43	2. Recoveries of Loans and Advances	18.12
172.22	3. Increase in Public debt other than overdraft	168.14
73.31	4. Net receipts from Public Account	(-) 82.03
	65.09 - Increase in Small Savings 81.48	
	52.31 - Deposits and Advances (Net effect) (-) 122.78	
	2.42 - Reserve Fund (Net effect) (-) 1.83	
1	35.11 - Net effect of Suspense and Miscellaneous transactions (-) 36.22	
	(-) 81.62 - Net effect of Remittance transactions (-) 2.68	
	5. Net effect of Contingency Fund transactions	
	6. Decrease in closing cash balance	115.73
1549.89	Total ,	1618.79
	APPLICATION	
1204.55	1. Revenue expenditure	1313.69
74.88	2. Lending for development and other purposes	69.80
186:06	3. Capital expenditure	235.30
•••	4. Net effect of Contingency Fund transactions	4.
84.40	5. Increase in closing cash balance	•••
1549.89	Total	1618.79

Explanatory Notes to Appendix III, IV & V

- 1. The abridged accounts in the above Appendices have to be read with comments and explanations in the Finance Accounts.
- 2. Government accounts being mainly on cash basis, the surplus on Government account, as shown in Appendix III indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation in stock figure, etc., do not figure in the accounts.
- 3. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and other pending settlement, *etc*.
- 4. There was a net difference of Rs.44.10 crore between the figures reflected in the accounts {(-) Rs.150.11 crore} and that intimated by the Reserve Bank of India {(-) Rs.106.01 crore} due to (i) misclassification by Bank/Treasury (Rs.45.45 crore credit) and (ii) non-receipt of details of adjustment made by RBI (Rs.1.35 crore debit).

APPENDIX VI

TIME SERIES ON STATE GOVERNMENT FINANCES (Reference: Paragraph 1.8.1; Page 15)

(Rupees in crore)

	<u> </u>	· · · · · · · · · · · · · · · · · · ·	· 	(Kupe	es in crorej
	1999-2000	2000-01	2001-02	2002-03	2003-04
Part A. Receipts				-	
1 Revenue Receipts	944	1,132	1,123	1,289	1,399
(i) Tax Revenue	103 (11)	119 (11)	136 (12)	145 (11)	178 (13)
Taxes on Sales, Trade, etc.	54 (52)	65 (55)	81 (60)	87 (60)	110 (62)
State Excise	40 (39)	41 (34)	42 (31)	45 (31)	53 (30)
Taxes on Vehicles	4 (4)	5 (4)	5 (4)	5 (4)	6(3)
Stamps and Registration fees	3 (3)	3 (3)	3 (2)	3 (2)	3 (2)
Land Revenue	0.17 ()	1(1)	. 1 ()	0.32 ()	0.49 ()
Other Taxes	1.83 (2)	4 (3)	4(3)	4.68 (3)	5.51 (3)
(ii) Non Tax Revenue	84 (9)	87 (8)	94 (8)	93 (7)	129 (9)
(iii) State's share of Union Taxes and Duties	342 (36)	164 (14)	165 (15)	176 (14)	225 (16)
(iv) Grants-in-aid from Government of India	415 (44)	762 (67)	728 (65)	875 (68)	867 (62)
2. Miscellaneous Capital Receipts		•••			•••
3. Total revenue and Non-debt capital receipts (1+2)	944	1,132	1,123	1,289	1,399
4. Recoveries of Loans and Advances	9	13	16	15	18
5. Public Debt Receipts	168	141	156	295	319
Internal Debt (excluding Ways and	100			200	
Means Advances and Overdrafts)	117 (70)	110 (78)	110 (71)	157 (53)	236 (74)
Net transactions under Ways and Means Advances and Overdraft	000				•••
Loans and Advances from Government of India	51 (30)	31 (22)	46 (29)	138 (47)	83 (26)
6. Total receipts in the Consolidated Fund (3+4+5)	1,121	1,286	1,295	1,599	1,736
7. Contingency Fund Receipts		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			2,,00
8. Public Accounts Receipts	659	869	774	935	874
9. Total receipts of the State (6+7+8)	1,780	2,155	2,069	2,534	2,610
Part B. Expenditure/Disbursement	-7				_,_,_
10. Revenue Expenditure	928	1,079	1,157	1,205	1,314
Plan	209 (23)	274 (25)	273 (24)	256 (21)	310 (24)
Non-Plan	719 (77)	805 (75)	884 (76)	949 (79)	1,004 (76)
General Services (including Interest	1		331 (1.5)	2.2 (1.2)	1,300 (1.0)
payments)	338 (37)	401 (37)	429 (37)	484 (40)	526 (40)
Social Services	356 (38)	410 (38)	436 (38)	426 (35)	.479 (36)
Economic Services	234 (25)	268 (25)	292 (25)	295 (25)	309 (24)
Grants-in-aid and Contributions				-	
11. Capital Expenditure	165	226	160	186	235
Plan	165 (100)	226 (100)	158 (99)	186 (100)	235 (100)
Non-Plan	Nil	Nil	2(1)	(a)	
General Services	9 (5)	8 (4)	6 (4)	7 (4)	25 (11)
Social Services	54 (33)	79 (35)	65 (40)	68 (36)	84 (36)
Economic Services	102 (62)	139 (61)	89 (56)	111 (60)	126 (53)

⁽a) Rs.0.30 crore.

	1999-2000	2000-01	2001-02	2002-03	2003-04
12. Disbursement of Loans and Advances	69	89	43	75	70
13. Total (10+11+12)	1,162	1,394	1,360	1,466	1,619
14. Repayments of Public Debt	34	30	35	123	151
Internal Debt (excluding Ways and				as Control	
Means Advances and Overdrafts)	18 (53)	11 (37)	15 (43)	16 (13)	35 (23)
Net transactions under Ways and Means					
Advances and Overdraft	•••	2	***	•••	•••
Loans and Advances from Government					
of India ^(a)	16 (47)	19 (63)	20 (57)	107 (87)	116 (77)
15. Appropriation to Contingency Fund		•••	•••	000	
16. Total disbursement out of Consolidated	1,196	1,424	1,395	1,589	1,770
Fund (13+14+15)		Printer St.			
17. Contingency Fund disbursements		•••	•••	000.	•••
18. Public Account disbursements	574	696	780	861	956
19. Total disbursement by the State	4 2750				
(16+17+18)	1,770	2,120	2,175	2,450	2,726
Part C. Deficits (Negative figures indicate defic				-1	
20. Revenue Surplus/Deficit (1-10)	16	53	(-) 34	84	85
21. Fiscal Deficit (3+4-13)	(-) 209	(-) 249	(-) 221	(-) 162	(-) 202
22. Primary Deficit (21-23)	(-) 113	(-) <u>135</u>	(-) 92	(-) 11	(-) 32
Part D. Other data			1		in the state of th
23. Interest Payments (included in revenue	0.5		120	1.61	170
expenditure)	96	114	129	151	170
24. Arrears of Revenue (Percentage of Tax and Non-tax Revenue Receipts)	NA	NA	NA	NA	(b)
25. Financial Assistance to local bodies, <i>etc.</i> (c)	144	210	194	201	198
26. Ways and Means Advances/ Overdraft	144	210	194	201	190
availed (days)	Nil	Nil	Nil	244 (97)	51 (44)
27. Interest on WMA/Overdraft	Nil	Nil	Nil	0.23	0.24
28. Gross State Domestic Product (GSDP) ^(d)	3,291	3,729	4,140 ^(e)	4,422 ^(f)	4,907 ^(g)
29. Outstanding Fiscal Liabilities (year end) ^(h)	1,124	1,395	1,535	1,827	1,952
30. Outstanding guarantees (year end)	1,12,13	1,5,5	**************************************	1,027	1,232
including interest	NA.	215	157	137	300
31. Maximum amount guaranteed (year end)	NA	243.07	187.51	183.69	342.94
32. Number of incomplete projects	312	190	144	117	147
33. Capital blocked in incomplete projects ⁽ⁱ⁾	NA	NA	18.77	0.16	11.52
			(36)	(1)	(24)

Note: Figures in brackets represent percentages (rounded) to total of each sub-heading.

⁽a) Includes Ways and Means Advances from Government of India.

⁽b) Year-wise position not available.

⁽c) Figures for the years 1999-2003 have been changed so as to show financial assistance by way of grants and loans.

Figures for 2001-02 & 2002-03 differ with previous figures due to adoption of revised GSDP figures (current prices) as furnished (August 2004) by the Directorate of Economics & Statistics, Government of Meghalaya.

Provisional. (f) Quick estimates. (g) Advance Estimates.

⁽h) Nomenclature and its components have been changed so as to show total liabilities of Government, i.e., Public Debt and other obligations.

Expenditure incurred up to the end of the year on incomplete works (in brackets) scheduled to be completed by end of the respective year.

APPENDIX VII Statement showing impact of Government policies in the State (Reference: Paragraph 1.11; Page 22)

Serial	Description	Unit	Year 2002-03	
number			2002-03	2003-04
1. (a)	Education Schools			
	Primary/Junior Basic	Number	5,659	5,851
(i)	Middle/Senior Basic	Number		
(ii) (iii)	High/Senior Secondary	Number	1,308	1,559
	Enrolment in schools	In lakh	4.79	5.46
(b)	Literacy		63.31 (2001 c	
(c)	Colleges	Percentage Number	54	54
(g)	Universities	Number		
(e)	Technical Education	Number	1	· 1
2.		. N	T NU T	
(a)	Engineering Colleges	Number	Nil	Nil
(b)	Polytechnics	Number	1	3
(c)	Industrial Training Institutes	Number	8	8
(d)	Motor Driving and Heavy Earth Moving Training Institutes	Number	1	1
3.	Health	* * * *		
. (i)	Allopathic Dispensaries	Number	15	15
(ii)	Health Sub-Centres	Number	408	408
(iii)	Primary Health Centres	Number	94	94
(iv)	Community Health Centres	Number	20	22
(v)	Allopathic Hospitals	Number	6	7
(vi)	Ayurvedic Dispensaries	Number	Nil	1
(vii)	Research Institutes	Number	1	1
(viii)	Homeopathic Health Centres	Number	8	8 .
(ix)	Infant mortality	Number per thousand	60	56
4.	Animal Health			
(i)	Veterinary Dispensaries	Number	65	65
(ii)	Veterinary Hospitals	Number	4	4
5.	Power (Provisional figures)		·	
(i)	Generation	Million Kwh	573.50	526.97
(ii)	Purchased	Million Kwh	314.66	503.46
(iii)	Free power from Central Sector	Million Kwh	66.62	51.85
(iv)	Consumption	Million Kwh	2.27	2.17
$\frac{(v)}{(v)}$	Sale	Million Kwh	730.35	804.92
(vi)	Rural Electrification	Per cent	47.55	56.39
6.	Irrigation	1 er cent	77.55	30.57
(i)	Irrigation potential created	Lakh Hectares	0.00096	0.00697
7.	Roads/communication	Lakii Hectares	0.0000	0.00077
(i)	Villages connected with road	Number	2,864	2,916
(ii)	Motorable road	Km.	7,490	7,681
(iii)	Vehicles	Number	73,382	NA
			15,983	17,547
8.	Per capita income at current prices	In Rupees	(Advance estimate)	(Projected)
9.	Houses	Number	5,20,602 (2001 Census)	NA
10.	Agriculture Production	In lakh tonnes	2.98	3.09
11.	Fruit Production	In lakh tonnes	1.87	2.28

Source: Information furnished by the Joint Director of Elementary & Mass Education, concerned Directorates/Commissioner of Transport/Chief Engineer, Irrigation/Deputy Chief Accounts Officer, Meghalaya State Electricity Board.

APPENDIX VIII

Areas in which major savings occurred

(Reference: Paragraph 2.5.1; Page 27)

Grant Number/ Major Head	Areas in which major savings occurred	Savings (Rupees in crore)
(1)	(2)	(3)
11 – OTHER	TAXES AND DUTIES ON COMMODITIES, ETC. (Ca	pital – Voted)
6801	Loans to State Electricity Board (For externally aided project) – General	44.81
13 - SE	CRETARIAT GENERAL SERVICES, ETC. (Revenue -	- Voted)
	Finance (excluding Economic Affairs) Department -	
2052	General	1.38
	Law Department – General	0.42
21 – MISC	CELLANEOUS GENERAL SERVICES, ETC. (Revenue	e – Voted)
	Expenditure on Primary Schools – General	6.67
	Expenditure on maintenance of Primary Schools under	
	deficit system – General	1.86
	Expenditure on ME Schools under non-deficit system	1 /
	Sixth Schedule (Part II) Areas	1.74
	Expenditure on Secondary Schools under deficit for	
	Girls - Sixth Schedule (Part II) Areas	1.79
	Expenditure on Secondary Schools under deficit for	
	Girls – General	1.41
2202	Expenditure on Colleges under deficit system – General	1.48
	Centrally Sponsored Schemes (CSS) - Sarva Shiksha	
1	Abhiyam - General	120.00
	CSS - Non-lapsable Central Pool of Resources -	
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	General	6.20
	CSS - Research and Training - Promotion of Service	* * * * * * * * * * * * * * * * * * * *
	Laboratories – General	2.50
	CSS – Diet – General	2.93
	CSS - Strengthening of Teachers Training Institution -	. **
	General	2.80
2203	Establishment of SPIU Under World Bank – General	3.50
	ATER SUPPLY AND SANITATION, ETC. (Capital -	
	CSS - Rural Water Supply - Sixth Schedule (Part II)	
4215	Areas	0.12
29 - H	OUSING, URBAN DEVELOPMENT, ETC. (Capital -	
4217	Development of satellite township for Shillong – Sixth	
	Schedule (Part II) Areas	17.00
40) – NORTH EASTERN AREAS, <i>ETC</i> . (Revenue – Voted	
70	Animal Husbandry & Veterinary – Other Expenditure –	
}	Transmission - Sixth Schedule (Part II) Areas'	17.60
	Animal Husbandry & Veterinary – Control of siltation	17.00
2552	of Umiam Lake – Sixth Schedule (Part II) Areas	5.00
	Urban Health Services – Allopathy – Establishment of	2.00
	Tele-medicine Centres – Sixth Schedule (Part II) Areas	2.00
A	0 - NORTH EASTERN AREAS, ETC. (Capital - Voted	
4552	General – Roads & Bridges – Sixth Schedule (Part II)	
7332	Areas	32.16
L	2 11 Out	22.10

District Control of the Control of t	er a transportation de la companie d	Name II and the state of the st
(1)	(2)	(3)
43	- HOUSING, CROP HUSBANDRY, ETC. (Revenue - Vo	oted)
	Minor Irrigation – Establishment of Irrigation Wing –	
2702	Sixth Schedule (Part II) Areas	0.45
	NABARD – Loan for construction of MIP – General	1.00
	50 - FORESTRY AND WILDLIFE, ETC. (Revenue-Vote	ed)
	CSS - Forestry - Setting up of Forest Guards/Forest	
	Training Schools – General	0.50
	CSS – Area Oriented Fuel Wood/Fodder project – Sixth	
2406	Schedule (Part II) Areas	0.50
	CSS – Strengthening of Infrastructure for Conservation	
	of Reserved Forests and Protected Forests - General	3.00
	CSS – Modern Forest Fire Control – General	0.50
APF	PROPRIATION - INTEREST PAYMENT (Revenue - Ch.	arged)
2049	Interest on market loans - New Loan (2003-04) -	
· · _ ·	General	2.75

APPENDIX - IX

Statement showing unnecessary supplementary provision

(Reference: Paragraph 2.5.2 (a); Page 28)

Serial number	Number and name of grant	Amount of supplementary grant	Amount of saving
		(In ruj	Constitution of the Consti
(1)	(2)	(3)	(4)
1.	2 -Governor Capital - Charged	23,93,000	23,93,000
2.	10 – Taxes on Vehicles, Other Administrative		, .
	Services <i>etc.</i> , Road Transport, Capital Outlay on Road Transport.		
	Revenue – Voted	4,12,06,600	4,49,97,391
3.	11 - Other Taxes and Duties on Commodities and		
	Services, Special Programmes for Rural Development,		
,	Power, Non-Conventional Sources of Energy Loans		
,	for Power Projects		,
	Revenue - Voted	68,05,908	4,37,14,512
4.	13 - Secretariat General Services, Secretariat Social		
	Services and Secretariat Economic Services	1.50	
	Revenue - Voted	20,00,000	8,27,00,558
5.	15 – Treasury and Accounts Administration	00.00.000	2 24 27 252
	Revenue – Voted	80,96,000	2,24,87,058
6.	21 – Miscellaneous General Services, General		
	Education, Technical Education, Sports and Youth		
	Services, Art and Culture, Nutrition, Other Scientific		
	Research, Census Survey and Statistics, Capital Outlay on Education, <i>etc</i> .		
	Revenue - Voted	5,93,33,979	154,72,84,098
7.	23 – Other Administrative Services, <i>etc</i> .	3,93,33,779	134,72,04,096
'	Revenue - Voted	1,94,625	59,22,447
8.	26 – Medical and Public Health, Family Welfare,		37,mm, TT 1
J	Capital Outlay on Medical and Public Health, Capital		
	Outlay on Family Welfare		
* * *	Revenue - Voted	5,29,800	6,96,97,383
9.	29 - Housing, Urban Development, Capital Outlay on		
	Housing, Capital Outlay on Urban Development		
	Capital – Voted	50,00,000	17,01,57,478
10.	30 – Information and Publicity		
	Revenue – Voted	8,64,000	54,26,232
11.	34 - Welfare of Scheduled Castes/Scheduled Tribes		
	and Other Backward Classes, Social Security and	# # -	
	Welfare, Nutrition, Capital Outlay on Public Works,		
	Capital Outlay on Social Security and Welfare	5.55.00.000	
	Revenue – Voted	5,35,00,000	6,62,52,735

Baren Lieux	Daniel Control of the		
(1)	(2)	(3)	(4)
12.	38 – Secretariat Economic Services	N. 1	
	Revenue - Voted	7,60,000	85,75,795
13.	39 - Co-operation, Capital Outlay on other		
	Agricultural Programmes, Loans for Co-operation		
	Capital – Voted	30,00,000	6,39,60,000
14.	40 - North Eastern Areas (Special Areas Programme),		
	Capital Outlay on North Eastern Areas		1
	Revenue – Voted	10,05,000	30,14,10,337
15.	40 – North Eastern Areas, etc.		
	Capital – Voted	32,04,000	28,63,56,503
16.	41 – Census, Survey and Statistics	*	7.4
	Revenue – Voted	28,60,000	1,13,54,109
17.	44 - Medium Irrigation-II-Works under Embankment	3 2 4 4 5 5 5	1,10,0 1,105
	and Drainage Wing - PWD - Medium Irrigation		
	Project, Flood Control, Capital Outlay on Medium		
	Irrigation, Capital Outlay on Flood Control Project		
	Capital – Voted	30,00,000	69,90,062
18.	46 – Special Programme for Rural Development	50,00,000	05,50,002
10.	Revenue - Voted	2,72,00,000	3,80,99,318
19.	50 – Forestry and Wildlife, Agricultural Research and	2,72,00,000	3,80,99,518
15.	Education, Capital Outlay on Forestry and Wildlife	Carlotte State	
1	Revenue – Voted	1 27 15 275	7 75 42 297
20.		4,37,45,275	7,75,43,387
20.	51 – Housing, Nutrition, Crop Husbandry, Special Programmes for Rural Development, Rural		
	1		
	Employment, Other Rural Development Programmes,		
-: : :	Capital Outlay on Housing, Capital Outlay on Rural		
	Development, Loans for other Rural Development		
	Programmes	62.09.000	1 25 90 042
0.1	Revenue – Voted	63,08,000	1,35,80,942
21.	52 – Industries, Capital Outlay on Cement and Non-		
	Metallic Minerals, Capital Outlay on Industries and		
	Minerals, Loans for other Industries and Minerals	40.74.000	50.00.505
	Revenue – Voted	48,74,000	68,32,506
22.	53 - Housing, Village and Small Industries, Capital		
	Outlay on Village and Small Scale Industries, Loans		1 187 14
	for Village and Small Industries		
7.7	Revenue – Voted	5,91,376	2,76,68,382
23.	54 - Housing, Village and Small Industries, Capital		
	Outlay on Housing, Capital Outlay on Village and		
. , , . ,	Small Scale Industries, Loans for Village and Small		
_	Industries		
	Revenue – Voted	24,53,252	74,30,034
24.	57 - Tourism, Capital Outlay on Public Works,		
	Capital Outlay on Other Communication Services,		
1	Capital Outlay on Tourism, Loans for Tourism		
	Revenue – Voted	38,000	1,72,36,783
	Total	27,89,62,815	292,80,71,050

APPENDIX X

Statement showing excessive supplementary grants in cases where ultimate savings in each case exceeded Rs.10 lakh

(Reference: Paragraph 2.5.2 (b); Page 28)

Serial number	Number and name of grant	Original provision	Expenditure	Additional requirement	Supple- mentary provision obtained	Net saving
(1)	(3)	(3)	(4)	(In rupees)	(6)	(7)
1.	(2) 4 – Administration of Justice	(3)	(4)	(5)	(0)	(7)
	Revenue – Voted	2,91,35,000	3,04,21,493	12,86,493	45,64,674	32,78,181
2.	5 – Elections					7
,	Revenue – Voted	4,22,00,000	4,32,26,679	10,26,679	76,12,619	65,85,940
3.	9-Taxes on Sales, Trades, etc., Other Taxes and Duties on Commodities and Services					1
*	Revenue – Voted	3,56,45,000	6,09,04,498	2,52,59,498	2,78,89,859	26,30,361
4.	16 – Police, Other Administrative Services, etc., Housing, Capital Outlay on Public Works, Capital Outlay on Housing					
	Revenue - Voted	116,07,20,000	116,09,51,597	2,31,597	5,13,88,647	5,11,57,050
5.	19 – Secretariat General Services, Public Works, Technical Education, Sports and Youth Services, etc.					
	Capital - Voted	15,51,00,000	26,60,93,174	11,09,93,174	15,34,00,000	4,24,06,826
6.	22 – Other Administrative Services, etc., Housing					
	Revenue – Voted	5,80,00,000	6,28,21,906	48,21,906	1,49,72,354	1,01,50,448

C4.08 2.19 8880	22.5	STREET SUBSTRUCTION OF STREET	6 2 K 6 / P - 0 - 1 C - 2 W - 2 D - 2 C - 2 K 6 C - 2	F-17-10-10-10-10-10-10-10-10-10-10-10-10-10-		Navyane was substitution and the
(1)	(2)	(3)	(4)	(5)	(6)	(7)
· 7.	26 – Medical and				,	
1	Public Health, Family					
	Welfare, Capital Outlay					
1.	on Medical and Public		•			
1	Health, Capital Outlay					
	on Family Welfare				,	
	Capital - Voted	12,96,20,000	13,01,83,806	5,63,806	1,50,00,000	1,44,36,194
8.	32 - Civil Supplies,					
	Capital Outlay on Food			1.34		
	Storage and Ware-					
	Housing					
	Revenue - Voted	3,60,00,000	4,29,45,709	69,45,709	1,35,79,000	66,33,291
9.	Appropriation –					
	Internal Debt of the				,	
	State Government	,		·		
l	Capital – Charged	81,26,40,000	85,78,84,430	4,52,44,430	4,65,13,564	12,69,134
	Total	245,90,60,000	265,54,33,292	19,63,73,292	33,49,20,717	13,85,47,425

APPENDIX XI

Statement showing insufficient supplementary grants by more than Rs.10 lakh each

(Reference: Paragraph 2.5.2 (c); Page 28)

Serial number	Name of Appropriation	Original provision	Expenditure	Additional requirement (In rupees)	Supplementary provision. obtained	Uncovered excess expenditure
1.	1 - Parliament/ State/ Union Territory Legislature, Stationery and Printing, Capital Outlay on Stationery and Printing Revenue - Voted	8,24,38,000	25,38,70,017	17,14,32,017	1,20,00,000	15,94,32,017
2.	56 - Roads and Bridges, Capital Outlay on Roads and Bridges Capital - Voted	65,94,05,000	89,06,70,657	23,12,65,657	20,56,00,000	2,56,65,657
3.	Appropriation – Loans and Advances from the Central Government Capital – Charged	26,12,63,840	116,27,42,612	90,14,78,772	78,98,70,503	11,16,08,269
	Total	100,31,06,840	230,72,83,286	130,41,76,446	100,74,70,503	29,67,05,943

APPENDIX XII

Statement showing expenditure falling short by more than Rs.1 crore and also by more than 10 per cent of the total provision

(Reference: Paragraph 2.5.2 (d); Page 28)

Serial number	Number and name of grant/appropriation	Amount of saving (Rupees in crore) and its percentage to total provision (in brackets)	Amount surrendered and reason for saving
(1)	(2)	(3)	(4)
1.	10 – Taxes on Vehicles, Other Administrative Services etc., Road Transport, Capital Outlay on Road Transport. Revenue – Voted	4.50 (38)	Out of the available saving of Rs.4.50 crore, Rs.1.09 crore only was surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.3.41 crore as well as for the final saving had not been intimated (October 2004).
2.	11 — Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, Non-Conventional Sources of Energy, Loans for Power Projects (i) Revenue - Voted	4.37 (18)	Against the saving of Rs.4.37 crore, Rs.0.03 crore only was surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.4.34 crore as well as for the final saving had not been intimated (October 2004).
	(ii) Capital – Voted	47.35 (49)	No part of the saving was anticipated as surplus and surrendered during the year, reasons for which as well as for the final saving had not been intimated (October 2004).
3.	13 – Secretariat General Services, Secretariat Social Services and Secretariat Economic Services Revenue - Voted	8.27 (24)	Against the saving of Rs.8.27 crore, Rs.9.43 crore was anticipated as surplus stated to be mainly due to less expenditure on salaries, office expenses, etc. and surrendered in March 2004. Reasons for surrender of Rs.1.16 crore in excess of available saving had not been intimated (October 2004).
4.	15 - Treasury and Accounts Administration Revenue - Voted	2.25 (28)	Saving of Rs.2.24 crore was anticipated as surplus stated to be due to non-filling up of vacant posts and imposition of economy measures and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.01 crore had not been intimated (October 2004).
5.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing Revenue – Voted	1.02 (16)	Against the saving of Rs.1.02 crore, Rs.0.39 crore only was anticipated as surplus stated to be mainly due to non-creation of posts, non-filling up of vacant posts, etc. and surrendered in March 2004. Reason for not surrendering the balance saving of Rs.0.63 crore as well as for the final saving had not been intimated (October 2004).

(1)	(2)	(3)	
(1)	(4)	(3)	Saving of Rs.3.76 crore was anticipated as
			surplus stated to be mainly due to revision of
3.7	19 - Secretariat General Services,		plan outlay, less requirement of fund, non-
	Public Works, Technical Education,	4.24	
6.	Sports and Youth Services, etc.	(14)	sanction of estimate, etc. and surrendered in
	Capital –Voted		March 2004. Reasons for not surrendering the
*			balance saving of Rs.0.48 crore had not been
1.			intimated (October 2004).
	21 – Miscellaneous General Services,		Against the saving of Rs.154.73 crore, Rs.1.64
	General Education, Technical		crore only was surrendered in March 2004.
7		154.73	Reasons for not surrendering the balance
/ /	Education, Sports and Youth	(37)	saving of Rs.153.09 crore as well as for the
	Services, Art and Culture, etc.	·	final saving had not been intimated (October
	Revenue – Voted		2004).
		1	Saving of Rs.0.61 crore was anticipated as
. ,			surplus stated to be mainly due to non-filling
	22 – Other Administrative Services,		up of vacant posts, imposition of economy
8.	etc. Housing	1.02	measures, etc. and surrendered in March 2004.
] 3.	Revenue – Voted	(14)	Reasons for not surrendering the balance
	TCVCHUO - VOICH	1.	saving of Rs.0.41 crore had not been intimated
			(October 2004).
			Saving of Rs.28.65 crore was anticipated as
		1	surplus stated to be mainly due to less
,	27 - Water Supply and Sanitation,		
	Housing, Capital Outlay on Water		allocation of funds by the Planning
0	Supply and Sanitation, Capital	28.88	Department, less progress of work, less
9.	Outlay on Housing, Loans for Water	(32)	release of funds from Central Pool of
	Supply and Sanitation	[Resources and surrendered in March 2004.
	Capital - Voted	A STATE OF THE STA	Reasons for not surrendering the balance
			saving of Rs.0.23 crore had not been intimated
<u> </u>	<u> </u>	· · · · ·	(October 2004).
		;	Against the saving of Rs.1.82 crore, Rs.1.83
, ,			crore was anticipated as surplus stated to be
	28 – Housing, Capital Outlay on	1.82	mainly due to revision of plan outlay, less
	Housing, Loans for Housing	(21)	expenditure on salaries, etc. and surrendered
	(i) Revenue – Voted	(21)	in March 2004. Reasons for surrender of
10.			Rs.0.01 crore in excess of available saving
			had not been intimated (October 2004).
			The entire saving was anticipated as surplus
	(ii) Capital - Voted	4.90	stated to be mainly due to revision of plan
	(11) Capital - Voice	(96)	outlay and non-receipt of loan and surrendered
		· .	in March 2004.
			Saving of Rs.4.66 crore was anticipated as
			surplus stated to be mainly due to reduction of
	29 - Housing, Urban Development,		annual plan outlay, non-release of funds by
	Capital Outlay on Housing, Capital	4.70	Government of India, non-approval of new
	Outlay on Urban Development	(36)	project, etc. and surrendered in March 2004.
1 2	(i) Revenue – Voted		Reasons for not surrendering the balance
,,			saving of Rs.0.04 crore had not been intimated
11.			(October 2004).
		8 F	Against the saving of Rs.1701.57 lakh,
			Rs.1701.73 lakh was anticipated as surplus
		17.02	and surrendered in March 2004. Reasons for
	(ii) Capital – Voted	(97)	surrendering Rs.0.16 lakh in excess of
1.			available saving had not been intimated
			(October 2004).
L	<u> </u>	<u> </u>	(OULOUSE EUUT).

(1)	\overline{a}	(3)	(4)
12.	31 Labour and Employment Revenue Voted	4.52 (44)	Saving of Rs.4.30 crore was anticipated as surplus stated to be mainly due to non-allotment of works, non-receipt of sanction and less release of Central funds and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.22 crore had not been stated (October 2004).
13.	34 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, Capital Outlay on Public Works, Capital Outlay on Social Security and Welfare (i) Revenue – Voted	6.63 (14)	Saving of Rs.5.22 crore was anticipated as surplus stated to be mainly due to sanction of less amount by Government of India and non-incurring of expenditure from State Plan sector and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.1.41 crore had not been intimated (October 2004).
	(ii) Capital – Voted	3.25 (43)	Saving of Rs.3.24 crore was anticipated as surplus stated to be mainly due to non-release of funds for construction of Anganwadi building from Government of India and non-incurring of expenditure on construction of building and surrendered in March 2004.
	39 - Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation (i) Revenue - Voted	1.21 (17)	Saving of Rs.1.19 crore was anticipated as surplus stated to be mainly due to non-receipt of approval for development projects from the National Co-operative Development Corporation (NCDC), non-filling up of vacant posts, etc. and surrendered in March 2004.
14.	(ii) Capital – Voted	6.40 (62)	Saving of Rs.6.33 crore was anticipated as surplus stated to be mainly due to non-receipt of approval on the new integrated development projects from the NCDC, non-receipt of sanction from Government of India, etc. and surrendered in March 2004.
15.	40 - North Eastern Areas (Special Areas Programmes), Capital Outlay on North Eastern Areas (i) Revenue - Voted	30.14 (96)	Against the saving of Rs.30.14 crore, Rs.0.36 crore only was anticipated as surplus stated to be mainly due to sanction of less amount and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.29.78 crore had not been intimated (October 2004).
	(ii) Capital – Voted	28.64 (68)	No part of the saving was anticipated as surplus and surrendered during the year, reasons for which as well as for the final saving had not been intimated (October 2004).
16.	41 – Census, Survey and Statistics Revenue – Voted	1.14 (25)	Against the saving of Rs.1.14 crore, Rs.0.26 crore only was anticipated as surplus and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.88 crore as well as for the period saving had not been intimated (October 2004).

43 - Housing, Crop Husbandry, Food Storage and Warehousing, Agricultural Research and Education, etc. (i) Revenue - Voted (ii) Capital - Voted (iii) Capital - Voted (iverance -	(1)	(2)	(3)	(4)
Food Storage and Warehousing, Agricultural Research and Education, etc. (i) Revenue – Voted (ii) Capital – Voted (iii) Capital – Voted (iv) Capital – Voted ((4)		(<i>V)</i>	
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(ii) Capital – Voted (iii) Capital – Voted (iv) Capital – Voted (iv) Capital – Voted (ivi) Capital – Voted (vii) Capital – Voted (vivi) Capital – Voted (· .			
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Education, Capital Outlay on Forestry and Wildlife (i) Revenue – Voted (ii) Capital – Voted (iii) Capital – Voted (iv) Cap	4.5			posting of officers/staff, imposition of
Forestry and Wildlife (i) Revenue – Voted (ii) Capital – Voted (iii) Capital – Voted (iv) Capital – Voted – Saving was anticipated as surplus and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.61 (iv) Capital – Voted (i			7.75	
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(ii) Capital – Voted (iii) Capital – Voted (iii) Capital – Voted (iii) Capital – Voted (iii) Capital – Voted (iv) Capital – Voted (vi) Capital – Voted (vii) Capital – Voted (viii) Capital – Voted	21			balance saving of Rs.5.88 crore as well as for
(ii) Capital – Voted (iii) Capital – Voted – Saving of Rs. 2.16 crore was anticipated as surplus stated to be mainly due to non-receipt of sanction from Government of India and surrendered in March 2004. Reasons for not surrendering the balance saving of Rs. 0.61 crore had not been intimated (October 2004). (iii) Capital – Voted (iiii) Capital – Voted (iiii) Capital – Voted (iiii) C		(1) Revenue – voicu	, .	the final saving had not been intimated
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Village and Small Scale Industries, Loans for Village and Small Industries Revenue – Voted 57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communication Services, Capital Outlay on Tourism and Loans for Tourism Village and Small Scale Industries, (23) Surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.61 crore had not been intimated (October 2004). No part of the saving was anticipated as surplus and surrendered during the year, reasons for which as well as for the final saving had not been stated (October 2004).	1			
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Industries Revenue – Voted 57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communication Services, Capital Outlay on Tourism and Loans for Tourism 1.72 1.72 23. Surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.61 crore had not been intimated (October 2004). No part of the saving was anticipated as surplus and surrendered during the year, reasons for which as well as for the final saving had not been stated (October 2004). Loans for Village and Small (23) Surrendered in March 2004. Reasons for not surrendering the balance saving of Rs.0.61 crore had not been intimated (October 2004).	22		2.77	of sanction from Government of India and
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57 - Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communication Services, Capital Outlay on Tourism and Loans for Tourism No part of the saving was anticipated as surplus and surrendered during the year, reasons for which as well as for the final saving had not been stated (October 2004).		Industries		surrendering the balance saving of Rs.0.61
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Public Works, Capital Outlay on Other Communication Services, Capital Outlay on Tourism and Loans for Tourism Outlay on Tourism and Loans for Tourism Surplus and surrendered during the year, reasons for which as well as for the final saving had not been stated (October 2004).	,			
23. Other Communication Services, Capital Outlay on Tourism and Loans for Tourism 1.72 reasons for which as well as for the final saving had not been stated (October 2004).			[
Capital Outlay on Tourism and Loans for Tourism (49) saving had not been stated (October 2004).	22		1.72	
Loans for Tourism	23.	1		
			{	
	. , ,			

APPENDIX XIII

Persistent savings in excess of Rs.10 lakh in each case and 20 per cent or more of the provision

(Reference: Paragraph 2.5.3; Page 28)

Serial num- ber	Grant or Appropriation	crore)	of saving (I and percen vision (in I 2002-03	tage to
(1)	(2)	(3)	(4)	(5)
1	4 – Administration of Justice	0.87	1.09	0.99
1.	Revenue – Charged	(93)	(98)	(100)
	10 - Taxes on Vehicles, Other Administrative			
	Services, etc., Road Transport, Capital Outlay on			
2.	Road Transport	2.68	3.05	0.97
	Capital - Voted	(52)	(60)	(26)
2 3 3 3	13 - Secretariat General Services, Secretariat Social			
3.	Services, Secretariat Economic Services	12.01	14.83	8.27
	Revenue - Voted	(34)	(40)	(24)
1	15 – Treasury and Accounts Administration	2.63	2.64	2.25
4.	Revenue – Voted	(27)	(35)	(28)
E	17 – Jails	0.99	0.88	0.79
5	Revenue – Voted	(24)	(24)	(20)
6.	23 – Other Administrative Services, etc.	0.34	0.66	0.59
υ.	Revenue – Voted	(34)	(59)	(58)
	27 - Water Supply and Sanitation, Housing, Capital			
	Outlay on Water Supply and Sanitation, Capital	47	And Andrews	
7.	Outlay on Housing, Loans for Water Supply and			
	Sanitation	22.62	36.58	28.88
	Capital – Voted	(30)	(42)	(32)
	28 - Housing, Capital Outlay on Housing, Loans for			
	Housing	2.56	7.72	1.82
8.	(i) Revenue - Voted	(22)	(56)	(21)
	(ii) Capital - Voted	0.17	0.49	4.90
		(37)	(58)	(96)
	29 - Housing, Urban Development, Capital Outlay			
	on Housing, Capital Outlay on Urban Development	3.28	4.03	4.70
9.	(i) Revenue – Voted	(24)	(31)	(36)
		27.47	12.39	17.02
	(ii) Capital – Voted	(98)	(88)	(97)
10.	31 –Labour and Employment	1.76	5.40	4.52
10.	Revenue - Voted	(28)	(52)	(44)

(1)	(2)	(3)	(4)	(5)
	39 - Co-operation, Capital Outlay on Co-operation,			
11	Capital Outlay on Other Agricultural Programmes,			
11.	Loans for Co-operation	2.73	5.42	6.40
16 - 1-3	Capital – Voted	(38)	(49)	(62)
	40 - North Eastern Areas (Special Areas			1
12.	Programme), Capital Outlay on North Eastern Areas	1.01	10.33	30.14
12.	Revenue – Voted		(99)	
		(41) 0.87	0.99	(96)
13.	41 – Census, Survey and Statistics Revenue – Voted		1	
	42 – Housing, Other General Economic Services	(20)	(23) 0.41	(25) 0.33
14.	Revenue – Voted	T	(31)	(24)
		(26)	3.35	3.81
15.	46 – Special Programme for Rural Development Revenue – Voted	(30)	(33)	(33)
		8.23	6.34	5.25
16.	47 – Housing, Animal Husbandry, <i>etc.</i> Revenue – Voted	1.0	,	(20)
17 17 17	48 – Housing, Dairy Development, Agricultural	(27)	(24)	(20)
17.	Research and Education	4.28	3.88	3.67
17.	Revenue – Voted	(52)	10.00	(49)
	50 - Forestry and Wildlife, Agricultural Research	(32)	(53)	(43)
	and Education, Capital Outlay on Forestry and	N 9		
18.	Wildlife	0.44	0.10	3.50
	Capital – Voted	(83)	(100)	(99)
4	53 – Housing, Village and Small Industries, Capital	(03)	(100)	(22)
	Outlay on Village and Small Scale Industries, Loans		***	
19.	for Village and Small Industries	0.50	0.50	0.50
	Capital – Voted	(100)	(100)	(100)
Y	57 -Tourism, Capital Outlay on Public Works,	(200)	(200)	(-55)
	Capital Outlay on other Communication Services,	1000		
20.	Capital Outlay on Tourism and Loans for Tourism	0.95	0.65	0.36
	Capital – Voted	(87)	(76)	(78)
		<u> </u>		

APPENDIX XIV

Statement showing excess expenditure over grant/appropriation

(Reference: Paragraph 2.5.4; Page 28)

Contract Con				
SI. No.	Number and name of grant/appropriation	Total grant/ appropriation	Expenditure	Excess
			(In rupees)	
1.	1 — Parliament/State/Union Territory Legislature, Stationery and Printing, Capital Outlay on Stationery and Printing			
	(i) Revenue – Voted	9,44,38,000	25,38,70,017	15,94,32,017
	(ii) Revenue – Charged	30,62,000	36,66,247	6,04,247
2	20 – Other Administrative Services, etc., Capital Outlay on Public Works			
	Revenue - Voted	11,65,77,000	11,89,17,335	23,40,335
	56 - Roads and Bridges, Capital Outlay on Roads and Bridges			
3.	(i) Revenue – Voted	40,00,00,000	40,21,74,159	21,74,159
: .	(ii) Capital – Voted	86,50,05,000	89,06,70,657	2,56,65,657
4.	Appropriation - Loans and Advances from the Central Government			
	Capital - Charged	105,11,34,343	116,27,42,612	11,16,08,269
	Total	253,02,16,343	283,20,41,027	30,18,24,684

APPENDIX XV

Excessive/unnecessary/injudicious re-appropriation of funds

(Reference: Paragraph 2.5.5; Page 28)

(Rupees in lakh)

Serial num- ber	Number and name of grant/ appropriation and Head of account	Provision Original plus Supplementary	Re-appro- priation Addition (+)/ Reduction (-)	Total	Actual expenditure	Excess (+) Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2 - GOVERNOR			THE REAL PROPERTY.	MI SELLIT	CHE LES
	2012 – Governor 03-Governor/Administrator of Union Territories 090-Secretariat (01) Secretariat General	46.41	R(-) 7.97 R(+) 5.27	43.71	28.34	(-) 15.37
2.	11 – OTHER TAXES AND DUTIES ON COMMODITIES AND SERVICES ETC.				1 (214 10 10 10 10 10 10 10 10	W.
1815	2810 – Non-Conventional Sources of Energy 60 – Others 800 – Other Expenditure (02) Micro		ACT LINES	s to Lie au Lie Lie au Lie au	a province of the second	
	Hydel Project, Construction and Implementation General	35.00	R(-) 10.00	25.00	e golfo? exp Cont.	(-) 25.00
3.	6801- Loans for Power Projects 800 - Other Loans to Electricity Boards (01) Loans to State Electricity Board - (For Externally Aided Project) General	9350.00	R(-) 1749.58	7600.42	3119.85	(-) 4480.57
4.	17 – JAILS	100,921			E IESOID.	
	2056 – Jails 001-Direction and Administration (01) Superintendence General	48.44	R(-) 2.59	45.85	34.13	(-) 11.72
5.	18 – STATIONERY AND PRINTING, ETC. 2058 – Stationery and Printing 103 – Government Presses (01) Press Administration General	115.32	R (+) 7.00 S. 12.55	109.77	139.72	(+) 29.95
6.	21 - MISCELLANEOUS GENERAL SERVICES, ETC. 2202 - General Education 01 - Elementary Education 101 - Government Primary Schools (01) - Expenditure on Primary Schools		R(+) 316.22	Plan P		
		541.50	R(+) 316.22 R(-) 0.40	857.32	190.67	(

No.		1 4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		West and a second		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7.	(03) Government ME School			3 S S S S S S S S S S S S S S S S S S S		
	Sixth Schedule (Part II) Areas	545.87	R(-) 34.86	511.01	521.13	(+) 10.12
8.	102 – Assistance to Non-Government					
	Primary Schools				,	
	(01) Expenditure on Maintenance of					
	Primary Schools under Deficit System	100				17 Talka
	General	631.67	R(+) 11.27	642.94	457.06	(-) 185.88
9.	(13) Expenditure on ME Schools under				-	
,	non-Deficit System	, , , , , , , , , , , , , , , , , , ,				
	Sixth Schedule (Part II) Areas	1094.43	R (-) 10.15	1084.28	909.83	(-) 174.45
10.	104 – Inspection			,		
	(01) Deputy Inspectors of Schools and		are the last		· .	, .
	Staff					
<u> </u>	Sixth Schedule (Part II) Areas	220.07	R(-) 45.79	174.28	194.94	(+) 20.66
11.	02 - Secondary Schools	* .				
	101 – Inspection					
	(01) Inspectors of Schools and Staff					
1	Sixth Schedule (Part II) Areas	153.17	R(+) 1.52	154.69	127.59	(-) 27.10
12.	03 – University and Higher Education					
	103 – Government Colleges and					
	Institutes		7/\ (0.04			
	(13) Government College	510.45	R(-) 69.84	410.61	42670	(1) 10 10
10	Sixth Schedule (Part II) Areas	510.47	S. 22.02	418.61	436.79	(+) 18.18
13.	104 – Assistance to Non-Government		•			
	Colleges and Institutes					
	(01) Expenditure on Colleges under	e e jih				
	Deficit System General	1521.23	R(+) 2.92	1524.15	1375.84	(-) 148.31
14.	Centrally Sponsored Schemes	1321.23	R(+) 2.92	1324.13	1373.84	(-) 146.51
14.	(06) Implementation of Programme of					
1	Vocationalisation of Secondary					
	Education					
1 - 1	General	150.00	R(-) 8.47	141.53		(-) 141.53
15.	2202 – General Education	150.00	14(*) 0.47	111.55		(-) 141.55
13.	01 - Elementary Education					[
1	101 – Government Primary Schools (01)					
1	Expenditure on Primary Schools					
	Sixth Schedule (Part II) Areas	5184.04	R(-) 0.75	5183.29	5770.81	(+) 587.52
16.	02 - Secondary Schools					
	110 – Assistance to Non –Government				1	
1	Secondary Schools]				
	(03) Expenditure on non-Deficit					
	Secondary Schools for Boys					
	Sixth Schedule (Part II) Areas	158.16	R(+) 5.00	163.16	310.46	(+) 147.30
17.	03 - University and Higher Education					
1	104 – Assistance to Non-Government					
'	Colleges and Institutes					
1	(01) Expenditure on Colleges under			,		
	Deficit System			-		
<u> </u>	Sixth Schedule (Part II) Areas	190.86	R(+) 9.54	200.40	_234.11	(+) 33.71

(1)	(2)	(3)	(4)	(5)	(6)	(7)
18.	Centrally Sponsored Schemes					
	03 - University and Higher Education	, i	\$ \int_{i}^{2}			
	107 – Scholarships (01) Post Matric				. •	
	Scholarship Scheduled Tribes			* , *		
	General	500.00	R(+) 8.47_	508.47	814.45	(+) 305.98
19.	26 - MEDICAL AND PUBLIC					
}	HEALTH, FAMILY WELFARE,		• .		÷	
1	ETC.					
	2210 – Medical and Public Health					
	01 – Urban Health Services – Allopathy					
	001 – Direction and Administration (01)		1	- · · · · · · ·		
1	Health Directorate	** * *	R(-) 10.00			
1.	General	117.80	R(+) 0.70	108.50	89.65	(-) 18.85
20.	(02) Establishment Engineering Wing	117.00	10.70	100.50	89.03	(-) 16.65
20.	Sixth Schedule (Part II) Areas	70.01	R(-) 4.00	66.01	54.95	(-) 11.06
21.	110 – Hospital and Dispensaries (02)	70.01	1 1 4.00	00.01	34.33	(-) 11.00
21.	Ganesh Das Hospital (including					
	improvement thereof)		•	· ·	F 4	
}	Sixth Schedule (Part II) Areas	511.47	R(+) 3.90	515.37	495.03	(-) 20.34
22.	(03) RP Chest Hospital (including	311.47	K(1) 3.90	. 313.37	493.03	(-) 20.54
22.	improvement thereof)	-	R(-) 55.00			
1	General	306.65	R(+) 12.75	264.40	202.05	(-) 62.35
23.	(10) Establishment of Psychiatric Clinic	300.03	K(1) 12.73_	204.40	202.03	(-) 02.33
25.	General	12.64	R(-) 1.36	11.28	. "	(-) 11.28
24.	(17) Meghalaya Institute of Mental	12.04	10(-) 1.50	11.20		(-) 11.26
24.	Health and Neurological Sciences	·	R(+) 12.42			
	Sixth Schedule (Part II) Areas	103.98	S. 5.90	110.50	87.26	(-) 23.24
25.	110 – Hospitals and Dispensaries	105.70	5. 5.70	110.50	07.20	()25.24
23.	(01) – Other Existing and new			7		
1	Dispensaries with or without indoor					
	facilities					
	Sixth Schedule (Part II) Areas	380.32	R(-) 32.90	347.42	334.60	(-) 12.82
26.	05 – Medical Education, Training and	300.32	11()52.50	3 .7.1.2	2200	712.02
	Research		***			-
	105 – Allopathy (03) Training		* .	1. 1. J		'
	General	33.72	R(-) 7.10	26.62	1.00	(-) 25.62
27.	101 – Prevention and Control of					
	Diseases (10) Establishment of Leprosy		- 10			'
**	Control Unit					
	Sixth Schedule (Part II) Areas	91.49	R(-) 1.00	90.49	68.89	(-) 21.60
28.	(04) Jowai Civil Hospital (including		······································			· .
	improvement thereof)		R(-) 5.00			• •
1	Sixth Schedule (Part II) Areas	146.05	R(+) 2.13	143.18	157.34	(+) 14.16
29.	02 - Urban Health Services - Other					
	Systems of Medicines	,		,		1
	102 – Homeopathy		4.50	. , .		
	(01) Establishment of Homeopathic				1	
	Dispensaries/Hospitals		R(-) 1.07			.
	Sixth Schedule (Part II) Areas	46.07	S. 14.61	30.39	144.07	(+) 113.68

(1)	(2)	(3)	(4)	(5)	(6)	(7)
30.	06 – Public Health	(9)	(*)	(3)	(0):	(1)
50.	101 – Prevention and Control of		, -	, 		
	Diseases (01) Malaria	, .	P()500			
	Sixth Schedule (Part II) Areas	286.58	R(-) 5.00	270.17	454.26	(1) 194 00
21	31 – LABOUR AND EMPLOYMENT	280.38	S. 11.41	270.17	454.26	(+) 184.09
31.	31 — LABOUR AND EMPLOYMENT		-	-	·	
1	2230 – Labour and Employment					
	03 – Training			•		
,	003 – Training of Craftsmen and		;			
	Supervisors (01) Industrial Training	,				
	Institute (introduction of New Trade)		R(-) 1.50			
	Sixth Schedule (Part II) Areas	120.39	S. 4.48	114.41	141.22	(+) 26.81
32.	43 - HOUSING, CROP HUS-	 -				/
	BANDRY, FOOD STORAGE AND					
	WARESHOUSING, ETC.		8		}	
	•					
	Central Sector Schemes			ļ .	}	
	2415 – Agricultural Research and				ļ.	
	Education	·				•
	01 - Crop Husbandry					. :
	004 – Research					
	0008 (08) Research under Macro					
	Management Mode	40.00	D(1) 2 50	40.50		
	General	40.00	R(+) 2.50	42.50	21.26	(-) 21.24
33.	2216 – Housing				İ	
l	01 - Government Residential Buildings	,			4,5*	·
	700 – Other Housing	i .			1	
} : .	(01) Construction		70() 0.50	4= 40	1	() 2.625
	Sixth Schedule (Part II) Areas	26.00	R(-) 8.60	17.40	44.35	(+) 26.95
34.	2401 – Crop Husbandry	l I			j .	· '
	800 – Other Expenditure (01)		•			
	Acquisition of land	64.00	D(1) 60 05	122.05	.105.54	
2.5	General	64.00	R(+) 69.25	133.25	105.54	(-) 27.71
35.	Centrally Sponsored Schemes					1
	108 – Commercial Crops (06) Oil Seed		D() 0.50	l ·		
· .	Production Programme	45.00	R(-) 2.50	40.50	60.50	(1) 22 22
26	General 2702 Nicos Line	45.00	S. 2.00	40.50	62.53	(+) 22.03
36.	2702 – Minor Irrigation	l				,
	01 – Surface Water		1			· · · ·
	103 – Diversion Schemes (01) Flow	* *	1		[
	Irrigation Works	722	B()722		50.42	(1) 50 42
37.	Sixth Schedule (Part II) Areas 46 – SPECIAL PROGRAMME FOR	7.32	R(-) 7.32	****	50.42	(+) 50.42
31.	RURAL DEVELOPMENT					
	TACHETAR A ENGRAPHMENTAR					
] .	2501 – Special Programmes for Rural				,	
	Development					(
	01 – Integrated Rural Development	1				
	Programme		·.			
	800 – Other Expenditure					
	(69) Border Areas Programmes under	· · ·				
	Border Areas Development	·	R(-) 50.55	·	1 .	
L	Sixth Schedule (Part II) Areas	909.00	S. 52.91	805.54	553.34	(-) 252.20

(1)	(2)	_(3)	(4)	(5)	(6)	(7)
47.	102 – Social and Farm Forestry				* .	
	(04) – Social Forestry		R(+) 51.45		4 ° 4.	
	Sixth Schedule (Part-II) Areas	338.38	S. 25.00	364.83	377.02	(+) 12.19
48.	53 – HOUSING, VILLAGE AND					
	SMALL INDUSTRIES, ETC.	` : [7,		
					7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	
` .	Centrally Sponsored Schemes					
	2851 – Village and Small Industries]			*	
	107 – Sericulture Industries	. I	, '			
Ì	(03) - Sericulture Catalytic]				
	Development Programme funded by	. •	7/\00/40	٠,		
· 	Central Silk Board		R(-) 32.63			() == = =
	General	199.54	S. 94.55	72.36		(-) 72.36
49.	57 – TOURISM, CAPITAL	}.	•			
1 :	OUTLAY ON PUBLIC WORKS,		1 4,7		-	
ļ	ETC.		24.78	, ,		
	3452 – Tourism					
	01 – Tourist Infrastructure		,			
	103 – Tourist Transport Service					
	(01) – Transport facilities for Tourists	[·				
	General	31.47	R(-) 0.25	31.22	2.18	(-) 29.04
50.	60 – LOANS TO GOVERNMENT	- 51.17	11() 0.25	01.22		() =>.0.
] 50.	SERVANTS, ETC.		* *			
1	7610 – Loans to Government Servants,	,				
	etc.	Ì .	,			
1	800 – Other Advances	• -	and the second]		
	(02) – Advances for Children					
1	Education		R(-) 131.19			
Ĺ	General	330.00	S. 0.29	198.52	186.51	(-) 12.01
51.	201 – House Building Advances					_
	(01) – Advances to State Government].*	
	Servants					
	General	1500.00	R(+) 131.20	1631.20	1580.26	(-) 50.94

R- Re-appropriation S- Surrender

APPENDIX XVI

Statement showing expenditure without provision (exceeding Rs.10 lakh) (Reference: Paragraph 2.5.6; Page 28)

5 41 1	Actual expenditure (Rupees in lakh)
(2)	(Respecting nation)
11 – Other Taxes and Duties on Commodities and Services.	
	701.00
Electricity Boards – (05) – Grants to SE (EAP)	731.80
General	
26 - Medical and Public Health, Family Welfare, Capital	
Outlay on Medical, etc. – 2210 – Medical and Public Health –	
	19.82
	, Y., ,
	54.15
	228.68
	46.34
General	
36 - Miscellaneous General Services, Social Security and	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Welfare – 2235 – Social Security and Welfare – 60 – Other	
Social Security and Welfare Programmes – 200 – Other	17.64
Programmes (03) Deposit Linked Insurance Scheme	
- 1 - 1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2	15.06
General	
	02.00
	83.00
Minor Irrigation - 103 - Diversion Schemes - (01) Flow	307.82
Irrigation Works – Sixth Schedule (Part II) Areas	
Rural Development Programme – 800 – Other Expenditure –	29.96
(73) - Border Areas Programmes under Public Works	
Department – General	
	11 – Other Taxes and Duties on Commodities and Services, etc. – 2801 – Power – 80 – General – 101 – Assistance to Electricity Boards – (05) – Grants to SE (EAP) General 26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical, etc. – 2210 – Medical and Public Health – 06 – Public Health – 101 – Prevention and Control of Diseases – (01) National Malaria Eradication Programme General Centrally Sponsored Scheme (CSS) – 2210 – Medical and Public Health – 05 – Medical Education, Training and Research – 105 – Allopathy – (01) – Training (Training of Nurses and other para-medical personnels) - General 2211 – Family Welfare - 200 – Other Services and Supplies – (01) Conventional Contraceptives - General 31 – Labour and Employment – 2230 – Labour and Employment – Centrally Sponsored Schemes – 800 – Other Expenditure – (02) Civil works for Baghmara (New ITI) – General 36 – Miscellaneous General Services, Social Security and Welfare – 2235 – Social Security and Welfare – 60 – Other Social Security and Welfare Programmes (03) Deposit Linked Insurance Scheme Government PF - Sixth Schedule (Part II) Areas (03) Deposit Linked Insurance Scheme Government PF - General 40 – North Eastern Areas (Special Areas Programme), Capital Outlay on North Eastern Areas – 80 – General – 001 - Direction and Administration (03) – Maintenance of NER completed Roads – Sixth Schedule (Part II) Areas 43 – Housing, Crop Husbandry, etc., 4702 – Capital Outlay on Minor Irrigation – 103 – Diversion Schemes – (01) Flow Irrigation Works – Sixth Schedule (Part II) Areas 46 – Special Programmes for Rural Development – 2501 – Special Programmes for Rural Development – 2501 – Special Programmes for Rural Development – 2501 – Special Programmes for Rural Development – 101 – Integrated Rural Development Programmes under Public Works

(1)	(2)	(3)
8.	47 - Housing, Animal Husbandry, etc., Centrally Sponsored	,
	Schemes – 2403 – Animal Husbandry – 001 – Direction and	13.71
	Administration – (01) – Directorate of Animal Husbandry and	13.71
	Veterinary – Sixth Schedule (Part II) Areas	
9.	56 - Roads and Bridges, Capital Outlay on Roads and Bridges	
	- 3054 - Roads and Bridges - 04 - District and Other Roads	15.89
	(2) 800 Other Expenditure (03) Maintenance and Repairs of	13.09
:	District Roads – General	
	Total	1563.87

APPENDIX XVII

Non-surrender of savings

(Reference: Paragraph 2.5.7; Page 29)

(Rupees in crore)

rrendered aving (5)
(5)
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(1)	(2)	(3)	(4)	(5)
14.	16 - Police, Other Administrative Services,			
	etc.			
	Revenue - Voted	121.21	5.12	0.17
15.	17 – Jails		17 443	
	Revenue – Voted	3.87	0.79	0.79
16.	18 - Stationery and Printing, Capital Outlay			10.75
10.	on Stationery and Printing, Capital Outlay on			
	Housing			
	Revenue – Voted	6.53	1.02	0.63
17.	19 - Secretariat General Services, Public	0.55	1.02	0.03
17.	Works, Technical Education, etc.			
	Capital – Voted	30.85	4.24	0.48
18.	*	30.63	4.24	0.40
18.	21 – Miscellaneous General Services,		The state of	
	General Education, Technical Education, etc.	422.01	154.72	152.00
10	Revenue – Voted	422.81	154.73	153.09
19.	22 - Other Administrative Services, etc.,			The state of
	Housing	a dimension		6.11
	Revenue - Voted	7.30	1.02	0.41
20.	23 – Other Administrative Services, etc.			
	Revenue - Voted	1.02	0.59	0.11
21.	25 - Miscellaneous General Services	0.34	0.0030	0.0030
	Revenue – Voted			
22.	26 - Medical and Public Health, Family			
	Welfare, Capital Outlay on Medical and		199	
	Public Health, Capital Outlay on Family			
	Welfare			7.7
	Revenue – Voted	89.53	6.97	2.70
1 0	Capital - Voted	14.46	1.44	1.44
23.	27 - Water Supply and Sanitation, Housing,			
20.	etc.			
	Capital – Voted	88.92	28.88	0.23
24.	29 – Housing, Urban Development, etc.	00.72	20.00	0.20
27.	Revenue – Voted	12.93	4.70	0.04
25.	30 – Information and Publicity	14.73	4.70	0.04
25.	Revenue – Voted	3.72	0.54	0.17
26		3.12	0.54	0.17
26.	31 – Labour and Employment	10.17	1.50	0.22
27	Revenue – Voted	10.17	4.52	0.22
27.	32 – Civil Supplies, Capital Outlay on Food			
	Storage and Warehousing	100	0.00	0.0000
20	Revenue – Voted	4.96	0.66	0.0060
28.	34 - Welfare of Scheduled Castes,			
	Scheduled Tribes and Other Backward			
	Classes, etc.			
1326	Revenue – Voted	49.09	6.63	1.41
29.	35 - Social Security and Welfare Revenue -			111111111111111111111111111111111111111
1.5	Voted	0.24	0.02	0.0063
30.	38 – Secretariat Economic Services			
	Revenue – Voted	4.35	0.86	0.33

(1)	(2)	(3)	(4)	(5)
31.	39 - Co-operation, Capital Outlay on Other	(3)	(4)	(3)
31.				
ş .	Agricultural Programmes, Loans for Co- operation			
		6.07	1 21	* 0.02
	Revenue – Voted	6.97	1.21	0.02
	Capital – Voted	10.24	6.40	0.07
32.	40 – North Eastern Areas (Special Areas		až	
	Programme), Capital Outlay on North Eastern			
	Areas	01.45		20.50
	Revenue – Voted	31.47	30.14	29.78
18.5	Capital – Voted	42.42	28.64_	28.64
33.	41 – Census, Survey and Statistics			• • • • • • • • • • • • • • • • • • • •
3	Revenue – Voted	4.63	1.14	0.88
34.	43 - Housing, Crop Husbandry, Food Storage			
	and Warehousing, etc.			
	Revenue – Voted	57.48	9.53	0.69
á	Capital – Voted	5.62	2.04	2.03
35.	44 – Medium Irrigation-II-Works under			
1,	Embankment and Drainage Wing, etc.			s .
	Revenue – Voted	0.73	0.19	0.19
	Capital – Voted	3.61	0.70	0.70
36.	45 - Housing, Soil and Water Conservation,			
30.00	Agricultural Research and Education	-		
	Revenue – Voted	22.90	1.89	0.20
37.	46 – Special Programme for Rural Development			1,
# *	Revenue – Voted	11.52	3.81	2.80
38.	47 - Housing, Animal Husbandry, Agricultural			
	Research and Education, etc.			•
1	Revenue – Voted	25.93	5.25	5.25
39.	48 - Housing, Dairy Development, Agricultural			
**	Research and Education			
1. 4.	Revenue – Voted	7.47	3.67	3.51
40.	49 - Housing, Fisheries, Agricultural Research			
	and Education, Capital Outlay on Housing,		,	• •
*	Capital Outlay on Fisheries			• •
	Revenue – Voted	5.23	0.93	0.04
41.	50 - Forestry and Wildlife, Agricultural			
	Research and Education, Capital Outlay on			' .
]	Forestry and Wildlife			
	Revenue – Voted	35.86	7.75	5.88
	Capital – Voted	3.53	3.50	3.50
42.	51 – Housing, Nutrition, Crop Husbandry,		7.4	
	Special Programmes for Rural Development,			
·	etc.			e e
1 7 2	Capital – Voted	6.25	0.69	0.69
	Capital Voted	0.23	0.07	0.02

[Jensey Jargerya]		Control of the Contro	Interested	[378] Z*4443852_2463357,4523]
(1)	(2)	(3)	(4)	(5)
43.	53 - Housing, Village and Small			
	Industries, Capital Outlay on Village and			
	Small Scale Industries, Loans for Village			
1	and Small Industries			
	Revenue – Voted	11.85	2.77	0.61
44.	54 - Housing, Village and Small			_
i	Industries, etc.			
	Revenue – Voted	12.26	0.74	0.23
45.	57 -Tourism, Capital Outlay on Public			
	Works, Capital Outlay on other			·
	Communication Services, Capital Outlay		·	
	on Tourism and Loans for Tourism	*		
[,	Revenue – Voted	3.54	1.72	1.72
	Capital – Voted	0.46	0.36	0.36
46.	60 - Loans to Government Servants, etc.			
	Capital – Voted	20.00	1.32	0.87
47.	Appropriation – Interest Payment			
	Revenue – Charged	182.80	12.77	2.20
48.	Appropriation – Public Service			
,	Commission			
	Revenue – Charged	1.16	0.16	0.0046
49.	Appropriation - Internal Debt of the State	:	1	
	Government]
	Capital – Charged	85.92	0.13	0.0040
	Total	1651.17	413.9187	310.4797

APPENDIX XVIII

Rush of expenditure during the year 2003-04

(Reference: Paragraph 2.5.10; Page 29)

Head of account/	Total provision (Original plus		Expen	diture		Total — expenditure	Percentage of	Expendi- ture during	expendit	ntage of ure during
Grant number	Supplementary)	1 st quarter	2 nd quarter (In ru	3 rd quarter *	4 th quarter		expenditure during 4 th quarter to total	March (Rupees)	Total provision	arch Total expenditure
2055/ 16	1,11,50,88,647	20,31,59,608	18,70,95,416	22,44,20,863	44,58,75,780	1,06,05,51,667	expenditure 42	28,29,87,413	25	27
2210/26	1,33,22,48,000	13,28,31,710	15,54,80,477	14,28,59,152	29,66,12,185	72,77,83,524	41	15,95,52,273	12	22
2202/21	3,87,47,13,979	50,10,41,977	41,81,56,997	56,10,64,247	92,59,95,170	2,40,62,58,391	38	50,04,78,071	13.4	21.
2211/26	9,24,61,000	1,79,06,490	4,02,73,311	1,60,12,164	2,36,03,125	9,77,95,090	24	1,01,21,548		10
2217/ 29	12,93,00,000	43,21,899	60,45,732	1,36,14,864	5,83,06,934	8,22,89,429	71	5,06,56,243	39	62
2230/31	10,16,58,000	1,03,26,976	87,52,147	1,67,75,335	2,05,68,145	5,64,22,603	36	1,11,71,420	11	20
2235/ 34, 35 & 36	21,54,56,200	1,93,53,702	3,03,10,516	3,32,27,771	8,05,91,137	16,34,83,126	49	4,04,64,451	19	25
2401/43	43,25,80,000	4,09,73,968	3,71,70,117	4,59,66,158	23,11,45,673	35,52,55,916	65	17,99,24,368	42	51
.2415/ 43, 45 & 47	5,21,50,000	65,13,679	57,73,076	84,18,120	1,58,97,899	3,66,02,774	43	1,02,52,645	20	28
2403/47	23,79,16,000	3,76,99,472	3,76,66,998	4,03,51,946	7,62,19,058	19,19,37,474	40	4,19,92,307	18	. 22

APPENDIX XIX Functional rural health centres as of March 2004 (Reference: Paragraph 3.1.6; Page 34)

District	Rural population as per 2001 Census (In takh)	Type of health centre	Require- ment of health centre	Health centre functioning as of March 2004	Excess (+) Shortfall (-) (Percentage)	Rural population not covered (Percentage)
***	(in takn)	HSC	128	67	(-) 61	(In lakh) 1.83
East Khasi	3.83	PHC	120	19	(48)	(48)
Hills		СНС	5	2	(-) 3 (60)	2.40 (63)
	Vs.	HSC	87	68	(-) 19 (22)	0.57 (22)
West Khasi Hills	2.61	РНС	13	12	(-) 1 (8)	0.20 (8)
<i>y</i>		CHC	3	4	(+) 1 (33)	
		HSC	60	26	(-) 34 (57)	1.02 (57)
Ri-Bhoi	1.80	PHC	9	8	(-) 1 (11)	0.20 (11)
	t (*)	СНС	2	4	(+) 2 (100)	
•		HSC	90	72	(-) 18 (20)	0.54 (20)
Jaintia Hills	2.71	PHC	14	17	(+) 3 (21)	y · ·
		CHC	3	4	(+) 1 (33)	•
		HSC	71	71		
East Garo Hills	2.12	РНС	11	14	(+) 3 (27)	
		CHC	3	2	(-) 1 (33)	0.80 (38)
		HSC	152	81	(-) 71 (47)	2.13 (47)
West Garo Hills	4.57	РНС	23	18	(-) 5 (22)	1.00 (22)
		CHC	- 6	5	(-) 1 (17)	0.80 (18)
South Garo		HSC	30	23	(-) 7 (23)	0.21 (23)
Hills	0.90	PHC	4	6	(+) 2 (50)	
		CHC	1	1	()210	6.20
		HSC	618	408	(-) 210 (34)	6.30 (34)
Total	18.54	PHC	93	94	(+) 1 (1)	
		CHC	23 ⊱₌	22	(-) 1 (4)	0.80 (4)

Source: Population statistics and information furnished by the DHS (MI).

APPENDIX XX

Details of non-functional Health Centres (Reference: Paragraph 3.1.8; Page 36)

SI. No.	Name of the health centres for which building was constructed	Expenditure incurred on construction	Month and year of completion	Period for which remained non- functional	Value of hospital equipment and furniture procured	Date of procurement	Expenditure on pa and other staff (a time scale) up	
		(Rupees in lakh)		Year - Month	(Rupees in lakh)	100	Amount (Rupees in lakh)	Period of posting
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
East	Khasi Hills District		The second secon	<u>i Hila Nylet i Kilip Ha</u>			1 Table 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	
1.	Pynursla CHC	90.46	June 1999	4-9	10.44	March 1998		
2	Smit PHC	53.12	January 1999	5-2	6.50	March 1998		
3.	Pongtung PHC	50.49	September 1999	4-6	6.80	September 1997	The second secon	· · · · · · · · · · · · · · · · · · ·
4.	Mawlai PHC	54.72	November 1998	5-4	7.32	March 1997		
5.	Ryngku PHC	60.25	May 2000	3-10	6.48	September 2001	3.16	January 2001 to May 2003
6.	Washerkhmut PHC	50.58	February 2000	4-1	6.48	September 2001	5.29	June 2001 to August 2002
7.	Laitnongkseh HSC	Not available (NA)	NA	NA ·	n y salah			
		359.62		•••	44.02		8.45	
West	Khasi Hills District						the state of the s	
8.	Ranikor CHC	104.40	November 2001	2-4	10.44	March 2003	Land Care Paris	
9.	Nongum PHC	48.14	September 1998	5-6	6.20	March 1999		
10.	Nonglang PHC	53.14	January 1994	10-2	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
11.	Wahkhaji PHC	48.90	March 2000	4-0	6.48	May 2001	· · · · · · · · · · · · · · · · · · ·	
12.	Wahrit PHC	55.37	September 1998	5-6	6.98	September 2001	er i i i i i i i i i i i i i i i i i i i	Gran, 9 1
13.	Rangthong PHC	44.25	March 2000	4-0	6.48	May 2001		• • • •
14.	Dongkilngding PHC	45.66	February 1999	<u>, 1, 1, 5, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,</u>				Fallender Line L. F.
15.	Maweit PHC	47.21	August 2002	1-7	6.48	May 2001	the Share of Make	
16.	Khonjoy PHC	34.10	NA NA	NA	6.99	March 1997	/	
		447.07 ^(a)	•••	***	50.05	9.0	5.0	000

⁽a) Excluding serial 16.

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				<u> </u>		<u> </u>	The same of the sa	<u>, taki a 4,1, 1114</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jaint	ia Hills District		$(x_1, x_2, \dots, x_n) = (x_1, \dots, x_n)$				1. 18.	
17.	Laskein CHC	132.16	July 2002	1-8	10.44	June 2002		
18.	Umkiang PHC	2.66	September 1993	10-6			32	
19.	Saipung PHC	45.83	June 1998	5-9			X	
20.	Bataw PHC	65.30	June 1998	5-9		the second second	N. S. S. L. C.	•••
21.	Shangpung PHC	NA	NA	NA	* **	•••	1 (1 m) 1 m	•••
22.	Kairang HSC	2.76	March 1998	6-0			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	•••
_23.	Semmasi HSC	NA	December 1997	NA	•••		•••	
		248.71		•	10.44	0.00	• • •	
West	Garo Hills District					*		Property of the second of the
24.	Salsella CHC	75.39	October 1999	4-5	10.44	March 1998	, 1 m	
25.	Babadam PHC	54.57	March 2002	2-0	6.45	July 2000	3.82	September 2001 to August 2002
		129.96	•••		16.89		3.82	
East	Garo Hills District						1. 1. 1. 1.	
26.	Rongjeng CHC	62.20	NA NA	NA	10.44	June 2000	to the second	
27.	Dabu PHC	NA	NA	NA	6.94	March 1997		
28.	Gabil PHC	60.08	June 1998	5-9	6.94	March 1997	28 - 28 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	•
29.	Adopgiri PHC	67.39	September 1998	5-6	5.55	April 1998	•••	•••
30.	Pakragiri HSC	NA NA	NA	NA	•••	•••	•••	1 · · ·
		127.47 ^(b)	•	0.00	29.87	• • •	• • • •	
South	Garo Hills District	March Commence of the State of		if a contract			The Topper of August of	
.31.	Chockpot CHC	142.17	October 2000	3-5	10.44	September 2001	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	
32.	Silkigiri PHC	66.90	September 1998	5-6	/•••			•••
		209.07			10.44		***************************************	
140590 1605000	CONTRACTOR	CONCORTES TENTE CONTRACTOR CONTRACTOR CONTRACTOR	LOCALISM CARROLL SANCTON CONTROL CONTR	AND MORE PROPERTY OF THE PARTY	Approximately a Sold of the second second second	Expension Control Control (No. 1997) 1997 (1997) 19	1575-000 Proceedings 1284-1271 Process April 1	25/44/4 2004/2015 \$800 CARM \$615/6925 215 \$64.00 F.
	Grand Total	1521.90			161.71		12.27	

Source: Information furnished by the DHS (MI), Executive Engineer, Health Engineering Wing (DHS), Shillong and District Medical & Health Officers, Shillong & Tura.

⁽b) Excluding serial 26.

APPENDIX XXI

Deployment of staff without providing infrastructure

(Reference: Paragraph 3.1.12; Page 38)

Name of Post (Pay Scale)	Name of CHC/PHC	Date from which the staff was engaged	Minimum expenditure incurred during 1999-2004 on Pay (at the minimum of the time scale) (In rupees)	Particulars of infrastructure not provided
	Laskein CHC	12 June 2002	1,33,350	
Dental Surgeon	Nartiang PHC	28 August 2003	44,450	Dental equipment.
(Rs.6,350-11,130)	Umkiang PHC	1 November 2003	31,750	Dental equipment.
1	Mahendraganj CHC	11 June 2002	1,33,350	
	Sohra CHC	28 August 1978	2,07,000	
	Mawsynram CHC	10 February 2003	44,850	Non functioning of
	Phulbari CHC	18 April 2001	1,20,750	X-ray machine.
Radiographer	Selsella CHC	5 July 2001	1,10,400	
(Rs.3,450-5,650)	Pynursla CHC	14 January 2000	1,72,500	
(185.5,450-5,050)	Ichamoti CHC	24 April 2002	79,350	V rov machina not
	Laskein PHC	7 November 2002	55,200	X-ray machine not provided.
	Mahendraganj CHC	7 August 2001	1,06,950	provided.
*	Ampati CHC	13 September 2003	20,700	
	Mawsynram CHC	4 September 1992	1,46,000	
	Pynursla CHC	19 July 1983	1,46,000	
Cook	Pomlum PHC	6 February 1989	1,46,000	Diet not provided to
(Rs.2,440-3,680)	Sohiong PHC	15 November 1979	1,46,000	indoor patients.
	Bhaitbari PHC	2 December 1991	1,46,000].
	Laskein PHC	10 June 1977	1,46,000	
	Total	2.24	21,36,600	

Source: Information furnished by the concerned DM&HOs.

APPENDIX XXII

Position of unspent balance of funds

(Reference: Paragraph 3.2.6; Page 43)

(Rupees in lakh)

			ARWSP		
Year	Opening balance	Grant received	Total fund available	Total expenditure	Unspent balance (Percentage)
1999- 2000	590.79	779.20	1369.99	1044.01	325.98 (24)
2000-01	325.98	1644.08	1970.06	1623.06	347.00 (18)
2001-02	347.00	1215.51	1562.51	1515.04	47.47
2002-03	47.47	2935.50	2982.97	1663.69	1319.28 (44)
2003-04	1319.28	1811.78	3131.06	2146.25	984.81 (31)

(Rupees in lakh)

			AUWSP				
Year	Opening	Amount released		Total	Expenditure	re Unspent	
	balance	balance Govern- State ment of Government India		balance (Percentage)			
1999- 2000	14.00		10.00	24.00	15.46	8.54 (36)	
2000-01	8.54	96.53	7.56	112.63	16.09	96.54 (86)	
2001-02	96.54	96.52	3.07	196.13	18.83	177.30 (90)	
2002-03	177.30	***		177.30	40.00	137.30 (77)	
2003-04	137.30			137.30	66.00	71.30 (52)	

Source: Information furnished by the CE, PHED.

APPENDIX XXIII

Details of incomplete water supply schemes

(Reference: Paragraph 3.2.9; Page 45)

SI. No.	Name of the water supply schemes	Month and year of	Estimated cost	Target date of	A CONTRACTOR OF THE STREET	scheme as on 31 ch 2004	Period of delay as of	Reasons for non- completion
		sanction	(Rupees in lakh)	completion	Physical (Percentage)	Financial (Rupees in lakh)	March 2004 (Year)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Baghn	nara Division					e de militario de la productiva de la compansión de la compansión de la compansión de la compansión de la comp	product the	
1.	Improvement of Siju	March 2000	47.22	March 2002	90	45.70	2	Non-availability of GI pipes.
2.	Re-construction of Joshipara	January 2001	32.73	March 2003	90	35.67	1	Delay in sanction.
3.	Renovation of Jetragiri	March 2001	16.63	March 2003	75	16.10	1	A portion of distribution system, pipe line yet to be received.
4.	Re-construction of Ramchenga	February 2001	32.18	March 2003	85	34.36	1	Delay in sanction.
5.	Improvement of Kilbolmagiri	March 2001	45.48	March 2003	70	49.07		G/M pipes yet to be received.
6.	Re-construction of Gonchudarey	March 2001	66.86	March 2003	60	36.75	1	G/M pipes yet to be received.
7.	Zizikapara (10-20 LPCD)	January 2001	10.30	March 2003	80	11.32	1	Delay in sanction.
8.	Magupara	January 2001	14.54	March 2003	90	15.50	11	Delay in sanction.
9.	Jolorest Complex	March 2000	47.24	March 2002	70	44.39	2	Land dispute with BNP Authorities.
10.	Upper Mashighat	March 2000	18.73	March 2002	80	18.77	2	Late drawal of power line and supply of pump set.
11.	Chenggni Songgittal	March 2000	3.42	March 2002	95	3.87	2	Non-availability of PVC pipes. GI pipes are used in place of PVC.
12.	Upper Balsri Ading	March 2001	13.47	March 2003	80	9.75	1	Power line yet to be drawn by Meghalaya State Electricity Board.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Resul	pelpara Division							Philippins in E
13.	Rongsep	March 1999	6.28	March 2001	Not available	7.13	3	A STATE OF THE STA
14.	Dobangal Chiwa	March 2000	3.88	March 2002	-Do-	3.92	2	
15.	Jegalpara	March 2000	5.15	March 2002	-Do-	5.48	2	ALCO STATE
16.	Ildek Reserve	March 2000	6.09	March 2002	-Do-	6.94	2	
17.	New Depa Sarangma	March 2000	15.80	March 2002	-Do-	17.42	2	Financial
18.	Daningittim	March 2000	10.20	March 2002	-Do-	11.34	2	liabilities.
19.	Nangapa	March 2000	18.55	March 2002	-Do-	19.40	2	
20.	New Darugiri	March 2000	2.93	March 2002	-Do-	3.18	2	The state of the state of
21.	Aga Bollonggiri	March 2000	4.52	March 2002	-Do-	5.14	2	1
22.	Wage Songgital	January 2000	0.89	March 2002	-Do-	0.90	2	
23.	Mingkrak Songgital	March 2001	12.63	March 2003	-Do-	10.82	1	1.11
24.	Mikkasimdam	March 2001	10.31	March 2003	-Do-	11.32	1	
25.	Nallonggiri	March 2001	3.33	March 2003	-Do-	4.03	1	
26.	Raksimgiri	March 2001	7.25	March 2003	-Do-	9.04	1	
27.	Improvement of Mendipathar	March 2000	49.80	March 2002	-Do-	49.96	2	Financial
28.	Andalsikgiri	March 2001	8.82	March 2003	-Do-	8.77	1	liabilities.
29.	Renovation of Dainadubi	February 2001	31.69	March 2003	-Do-	31.55	1	
30.	Renovation of Mendal	March 2001	37.21	March 2003	-Do-	37.58	1	
31.	Renovation of Bolsong	March 2001	23.08	March 2003	-Do-	25.08	1	
32.	Renovation of Babukona	March 2001	4.53	March 2003	-Do-	4.56	1	
33.	Rongbok (R/W)	March 2002	0.39	March 2002	-Do-	0.12	2	Work in progress.
Nongs	toin Division				in a second	CHARLE TO		
34.	Umsur	May 1999	9.27	March 2001	80	8.56	3	
35.	Nongkhniang	March 2001	14.57	March 2003	60	11.64	1	Manufacture Company
36.	Shyrkon Comb.	March 2001	20.83	March 2003	70	17.94	1	
37.	Porla	March 2001	8.63	March 2003	50	8.15	1	Not available.
38.	Re-construction of old Nongstoin	March 2001	40.70	March 2003	80	38.90	I	
39.	Augmentation of Siejlieh	March 2001	30.96	March 2003	90	24.91	1	
40.	Kharthangmaw - Umthlong	March 2000	70.64	March 2003	90	32.68	1	
1776	Total	MINE TO COMP	807.73	- White Edward	Mark Carles W	737.71		

Source: Information furnished by the EEs of concerned divisions.

APPENDIX XXIV

Non-functional water supply schemes due to theft of laid pipes

(Reference: Paragraph 3.2.11; Page 47)

SI. No.	Name of water supply scheme	Estimated cost	Expendi- ture on the scheme	Month and year of completion	Month and year of non- functioning	Cost of materials stolen	Date of FIR
		(Rupees	in lakh)			(Rupees)	
Nong	stoin Division			* .			
1.	Lawsoit	3.72	3.83	March 1995	May 2000	11,222	23 June 2000
2.	Prein	4.02	4.16	March 1997	January 2001	54,540	18 January 2001
3.	Mawthawir	1.81	1.32	March 2000	October 2001	28,453	17 October 2001
4	Umsawkhlaw	5.16	5.23	March 1992	February 2001	16,627	12 March 2001
5.	Mawkynrum	5.64	5.63	March 1995	January 2002	24,394	16 January 2002
6.	Mawkynbat	4.60	4.73	March 1992	July 2003	21,780	24 July 2003
Maw	kyrwat Division	1 ,		- 4 - 4			
7.	Mawpat	3.32	3.36	March 1991	July 2000	92,070	27 July 2000
8.	Myriem	10.19	9.85	March 1992	March 2002	1,89,618	28 March 2002
	Total	38.46	38.11	4		4,38,704	

Source: Information furnished by the EEs of concerned divisions.

APPENDIX XXV

Position of technical and non-technical staff

(Reference: Paragraph 3.2.17; Page 50)

Year	Sar	ictioned stren	gth	Me	en in position	
	Technical	Non- technical	Total	Technical (Percentage to sanctioned strength)	Non- technical	Total
			<u>I)</u>	n number)		
1999-2000	396	968	1,364	345 (87)	968	1,313
2000-01	446	1,069	1,515	399 (89)	1,069	1,468
2001-02	446	1,069	1,515	399 (89)	1,069	1,468
2002-03	456	1,084	1,540	412 (90)	1,084	1,496
2003-04	461	1,103	1,564	415 (90)	1,103	1,518

Source: Information furnished by the Superintendent of CE's office, Shillong.

APPENDIX XXVI

(Reference: Paragraph 4.5; Page 59)

A. Details showing variations in the measurement of height between two chainages

Sl. No.	Kilo- metres	Chainage	End point of chainage	Measurement of height at the end point	Starting point of chainage	Measurement of height at the starting point	Variations
110		4.0		(met	re)		
1.	1 st	90 th	75-90	2.50	90-105	3.00	0.50
2.	1 st	435 th	420-435	2.50	435-450	3.50	1.00
3.	1 st	450 th	435-450	1.50	450-465	2.00	0.50
4.	2 nd	205 th	190-205	2.50	205-220	3.50	1.00
5.	2 nd	535 th	520-535	5.00	535-550	3.00	2.00
6.	4 th	165 th	150-165	2.50	165-180	3.00	0.50
7.	4 th	240 th	225-240	3.50	240-255	5.50	2.00
8.	4 th	270 th	255-270	6.00	270-285	3.00	3.00
9.	4 th	330 th	315-330	5.75	330-345	6.25	0.50
10.	5 th	740 th	720-740	4.50	740-760	5.50	1.00

Source: Measurement Books.

B. Details of extra expenditure on execution of earth work

Earth work in excavation	Estimated quantity	Quantity executed	Difference Excess(+) Less(-)	Rate	Difference in cost
		(in cum)		(Rupees per cum)	(In rupees)
Loose boulders	23398.31	14824.80	(-) 8573.51	14.00	(-) 1,20,029
Soft or laminated rock	11699.16	39556.80	(+) 27857.64	20.50	5,71,082
Hard shale	5849.58	43012.84	(+) 37163.26	25.00	9,29,081
Very Hard shale	11699.16	3003.00	(-) 8696.16	32.00	(-) 2,78,277
Hard rock	5849.58	Nil	(-) 5849.58	38.50	(-) 2,25,209
Total	58495.79	100397.44	(+) 41901.65	11	8,76,648

Source: Measurement Books and Vouchers.

APPENDIX XXVII

(Reference: Paragraph 4.8; Pages 64 & 65)

A - Year-wise position of outstanding Inspection Reports and Paragraphs

Year	Number	r of outstanding	Inspection Repo	orts	Nun	nber of outstand	ling paragraphs	
	Community & Rural Development Department	Tourism Department	Information & Public Relations Department	Public Works Depart- ment	Community & Rural Develop- ment Department	Tourism Department	Information & Public Relations Department	Public Works Depart- ment
Up to 1991-92	38	6		13	40	29		16
1992-93	6			3	4			. 7
1993-94	10	\$ 70° 1.5° . 15	1	17	13	8	2	47
1994-95	13	$(x, 1/x)^{-\epsilon}$		_11		<i>5</i>		43
1995-96	6	1 ·		17	17	10	N. Prince	49
1996-97	8	1	1	12	14	8	7	13
1997-98	7	1.	2	. 9	19	.20	15	10
1998-99	1	si irojaj, <u>a</u> ir	(f) (1 4)	16	e Lind of the first of the firs		6	48
1999-2000	2	0.0 ±3.4 ≥	1 1	13	7		- r 1 ; \$	149
2000-01	3	1		18	13	8		47
2001-02		*	. S., - +	6	2 2 2 2	-4:		39
2002-03	2	3 - 2 S	1. A. T. B.	6	10		2	37
2003-04	7. /	_	1	16	46		1 1	149
Total	103	. 12	8	157	194	88	34	654

B – Department-wise position of paragraphs remaining unsettled for more than 10 years and for non-receipt of initial replies

Si. No.	Name of Department	unsettled f	hs remaining or more than years	Paragraphs remaining unsettled for non-receipt of initial replies				
		Number of IR	Number of paragraphs	Number of offices	Number of IR	Period of issue of IR	Number of paragraphs	
1.	Community & Rural Development Department	20	56	10	10	1986-87 to 2003-04	84	
2.	Tourism Department	7	37	10	10	1986-87 to 2000-01	74	
3.	Information & Public Relations Department	1	2	NIL	NIL	NIL	NIL	
4.	Public Works Department	33	70	4	4	1999-2000 to 2003-04	38	
	Total	61	165	24	24		196	

APPENDIX XXVIII Details of explanatory notes on paragraphs of Audit Reports pending as of November 2004

(Reference: Paragraph 4.9; Page 66)

Sl. No.	Year of Audit Report	Audit Report placed before the State Legislature	Paragraph number for which suo motu explanatory notes are awaited	Department
(1)	(2)	(3)	(4)	(5)
, july			3.2	Animal Husbandry and Veterinary (AH&V)
4,44			3.11	Industries
4.			3.14	Town and Country Planning (T&CP)
No.			4.4	Public Health Engineering (PHE)
			4.5	Agriculture
1.	1986-87	27 November	4.6	Mining and Geology
·		1990	5.1	Agriculture, PHE and Public Works (PW)
1			5.2	PW and PHE
	121	#	5.5 & 5.6	PHE The Transfer of the Philipse of the Philip
			7.2	Co-operation
	Total		11	
		1. Syn 1. 2 2 2	3.3	AH&V
i i			3.4	Community Development
			3.6	Fisheries
			3.7	General Administration (GA)
			3.14	Industries
			3.15	General (18 departments)
			3.16	Power
2.	1987-88	17 March 1992	3.20	T&CP
54 342		Market Company	3.21	Tourism
			5.1	PW & PHE
		V	5.3 & 5.4	PHE
			7.2 & 7.3	Co-operation
	Total		14	
			3.7	AH&V
			3.18	Home (Police)
			3.19 to 3.23	Industries
3	1988-89	29 December	3.24	Law
)	1300-03	1992	3.25	Mines and Mineral Resources
· · · · · · · · · · · · · · · · · · ·			3.27	Agriculture, Education, Medical, Police and
·				PHE
			4.6	PW.
1		to the state of	5.1 to 5.5	Agriculture, PHE & PW
Уį			7.2	Co-operation
	Total		17	
45 21 3-	- X		3.10	Labour and Employment
100 mg/m			3.15	Industries, GA, Forest and Transport
			4.3, 4.4, 4.5	PHE
4.	1989-90	30 April 1993	5.1, 5.2 & 5.3	Agriculture, PHE & PW
			5.7	PHE
			5.8	Medical
		51 · · · · · · · · · · · · · · · · · · ·	7.2	Co-operation
425 (Aug. 1997)	Total		11	

Strain Control				
(1)	(2)	(3)	(4)	(5)
			3.1	AH&V
			3.8	Health and Family Welfare (H&FW)
5.	1990-91	8 October 1993	3.9 to 3.14	Industries
			3.15	Labour
			3.18	Information and Public Relations and AH&V
			4.6	PHE
			7.2	Co-operation
	Total		12	ATTORY
36 13 15 4 3 15 16 16 16 16 16 16 16 16 16 16 16 16 16			3.3	AH&V
6.	1991-92	24 April 1994	3.9	Labour and Employment
			3.10 & 3.11	Sericulture and Weaving
Name of the second	777.4.0		7.2 5	Co-operation
	Total		3.1	AH&V
			3.2	Community and Rural Development (C&RD)
			3.3	Education
			3.4	Fisheries
7	1992-93	16 September 1994	3.8 to 3.11	Industries
			3.13	General (12 departments)
			4.1 & 4.2	PW
			4.4	PHE
			5.1 & 5.2	PW
			5.5	PHE
			7.2	Urban Affairs
	Total	<u> </u>	16	O TO GAT TO THE
			3.1 & 3.2	Education
			3.3	General Administration
		8 September 1995	3.4 to 3.6	H&FW
8.	1993-94		3.7	Home
			3.8	General (14 departments)
			7.2	C&RD
	Total	<u> </u>	9	
			3.2	Art and Culture
			3.3	C&RD
			3.4	Education
			3.6 & 3.7	H&FW
	5.7.		3.8 & 3.9	Home
9.	1994-95	29 September 1996	3.10	Industries
			3.12	Labour
			3.13	Sericulture and Weaving
			3.15	Agriculture, Industries and Home (Police)
			3.16	General (12 departments)
			4.10 & 5.1	PHE
	Total		14	
1 45		内の場合して行動	3.1	Agriculture
			3.9, 3.10 & 7.3	Education
			3.13 & 3.14	H&FW
10.	1995-96	7 April 1997	3.15	Sports and Youth Affairs
			3.16	C&RD, Fisheries and Tourism
			3.17	General (13 departments)
	l graf film and a significant		4.9	PW
was seed to			7.2	C&RD
	Total		- 11	

(1)	(6)	(2)	(A)	(5)
(1)	(2)	(3)	(4)	AH&V
			3.2	Border Areas Development
			3.3	C&RD
			3.4 & 3.5	
		발경기가 하다		Education Every Positivation & Toyotion
			3.6 & 3.7	Excise, Registration & Taxation
			3.8 & 3.9	Fisheries
F. 187			3.10	Forest and Environment
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			3.11 & 3.12	Housing
11.	1996-97	12 June 1998	3.14	H&FW
			3.15 & 3.16	Industries
			3.18	Programme Implementation
			3.21	Forest & Environment
			3.23	Animal Husbandry, Medical (Health), Forest
				and Education
			3.24	General (13 departments)
			4.5 to 4.12 & 5.1	PW
			4.13	PHE
			7.3	Finance
	Total		30	
			3.1	AH&V
			3.2	Education
12.	1997-98	9 April 1999	3.5, 3.6 & 3.7	H&FW
3.5			3.10 & 3.11	Industries
			3.15	Tourism
			3.16	Industries, Sericulture & Weaving and Urban
				Affairs
			7.2	Finance
	Total	1	10	
1.45		- 30 - 100 - 10	3.1	Agriculture
	y salar		3.2 & 3.8	C&RD
			3.4	Excise, Registration, Taxation & Stamps
			3.5	Finance, Fisheries, H & FW and PW
			3.10	Home (Police)
13.	1998-99	12 April 2000	3.11	Housing
			3.12	Agriculture, H&FW and Home (Police)
			3.13	General (15 departments)
75 dr -			4.1 to 4.5	PW
	Total		14	
	7777777		3.1	Education, Finance, Home (Jail & Police), PW
				and Revenue
			3.2, 3.3 & 4.1	H&FW
N XX			3.4, 4.6 & 5.1	PHE
			3.7	AH & V
			3.8 & 3.9	C&RD
14.	1999-2000	7 December	3.10	Education
		2001	-3.11	H&FW and PHE
			3.12	Labour
			3.13	Mining & Geology
			3.15	C&RD, Housing & PW
			3.16	General (I7 departments)
			4.2 to 4.5	PW
	Total		20	
CXTONIA GRADIES	LOUI		. <u>L</u> U	

*	·			
(1)	(2)	(3)	(4)	(5)
The stage fall			3.1	Education
			3.2 & 4.4	H&FW
			3.3& 4.2	PHE
			3.4, 4.1 & 4.3	Agriculture
15.	2000-01	1 April 2002	3.6	Finance
13.	2000-01	1 April 2002	3.7	Housing
			3.8 & 3.9	Industries
			3.11	Tourism
			3.12	AH&V, Education, H&FW and PHE
1 1 1 1 1 1 1 1 1			4.5 to 4.7, 5.1	PW . The second
	Total		18	
			3.1 &3.4	C&RD and Housing
			3.2	Agriculture
			3.3	AH&V
1			3.5	Education
16.	2001-02	20 June 2003	3.6	Forest & Environment
	The state of the s		3.7	H&FW
			3.9	Forest & Environment and Industries
1.0			4.1, 4.3 & 4.4	PW
			5.1	PHE
100	Total		12	
			3.1	Social Welfare
		•	3.2, 3.3	H&FW
			3.4	Home (Police)
			3.5	Housing
17	2002-03	11 June 2004	3.6	Urban Affairs, GA, Home(Police) &
17.	2002-03	11 June 2004		Agriculture
			3.7	General (17 departments)
		1	4.1	PHE
			4.2, 4.5 to 4.8	PW
1			8.1	Finance
	Total		14	
	Grand Total		238	

APPENDIX XXIX

Department-wise position of some of the important paragraphs of Audit Reports for the last three years ending March 2003 (Civil and Works Chapters) on which follow up action had been inadequate

(Reference: Paragraph 4.9; Page 66)

Year of Audit	Paragraph number of Audit	Subject
Report	Report	
(1)	(2)	(3)
		AGRICULTURE DEPARTMENT
	4.1	Integrated Audit including Manpower Management of Minor Irrigation Wing of the Department of Agriculture
2000-01	4.3	Unproductive expenditure and non-achievement of objective of providing flow irrigation in respect of work Madan Nongthrad Flow Irrigation Project
2001-02	3.2	Unfruitful expenditure on Biocontrol Laboratory
	COMMUNITY & F	RURAL DEVELOPMENT AND HOUSING DEPARTMENTS
2001-02	3.1	Rural Housing – Indira Awaas Yojana
2001-02	3.4	Swarnajayanti Gram Swarojgar Yojana
	<u> </u>	EDUCATION DEPARTMENT
2000-01	3.1	Non-Formal Education
2001-02	3.5	Irregularities in implementation of computer literacy scheme in schools
		FINANCE DEPARTMENT
2000-01	3.6	Administrative irregularities in the non-banking treasuries
*	HEAL	TH AND FAMILY WELFARE DEPARTMENT
2000-01	3.2	Prevention and Control of Diseases
2001-02	3.7	Locking up of funds due to failure in utilisation of X-ray machines
2002-03	3.2	National AIDS Control Project
2002 03	3.3	Undue financial benefit to a Guwahati firm for supply of incinerators
		HOUSING DEPARTMENT
2000-01	3.7	Inefficient implementation of Housing Scheme for low-income group
2002-03	3.5	Extra expenditure on procurement of corrugated galvanised iron sheets at higher rates
		HOME (POLICE) DEPARTMENT
2002-03	3.4	Central assistance remaining unutilised
		INDUSTRIES DEPARTMENT
2000-01	3.8	Locking up of funds
2000-01	3.9	Nugatory expenditure
	PUBL	IC HEALTH ENGINEERING DEPARTMENT
2000-01	3.3	Environment, Pollution and Waste Management
	4.2	Accelerated Drinking Water Supply Scheme
2001-02	5.1	Locking up of funds due to idling of stores
2002-03	4.1	Greater Shillong Water Supply Scheme

(1)	(2)	(3)
		PUBLIC WORKS DEPARTMENT
	4.5	Waiver of compensation in respect of delayed execution of work by contractor
2000-01	4.6	Excess payment/waiver of compensation
	4.7	Expenditure incurred in excess of sanctioned estimates
	5.1	Locking up of funds due to idling of stores
2001-02	4.1	Review of Public Works Department including Manpower Management
2001-02	4.3	Extra expenditure due to award of work without finalising drawings
	4.2	Rongai Valley Medium Irrigation Project
	4.5	Extra expenditure on execution of road work
2002-03	4.6	Unfruitful expenditure on execution of a road work by the Executive Engineer, National Highway Bye-Pass Division, Shillong
	4.7	Fictitious execution of earth work and extra expenditure on construction of a road by National Highway Bye-Pass Division, Shillong
٠.		SOCIAL WELFARE DEPARTMENT
2002-03	3.1	Welfare of the Handicapped
		TOURISM DEPARTMENT
2000-01	3.11	Idling of State financial resources

APPENDIX XXX

Status of outstanding Action Taken Notes (ATN) on the recommendations of the Public Accounts Committee (PAC)

(Reference: Paragraph 4.9; Page 66)

Year of	Particulars of		Number of PAC	Departments involved (Paragraph number of Audit Report)
Audit Report	on w recommend made by th ATNs are Paragraph number '	ations were e PAC but	Report in which recommenda- tions were made	(r aragrapu number or Audit Report)
1984-85	3.3, 3.6, 3.8 & 3.9	4	19 th , 22 nd and 27 th	Agriculture (3.3), Home (Police) (3.6) and Border Areas Development (3.8 & 3.9)
1985-86	4.1, 4.2, 4.3, 5.4 & 5.5	5	24 th	Public Works (4.1 to 4.3, 5.4 & 5.5)
1986-87	3.3 to 3.6, 3.9, 4.1, 4.2 & 5.4	8	20 th , 24 th and 27 th	Health & Family Welfare (3.3 to 3.6 & 4.1), Home (Police) (3.9) and Public Works (4.2 & 5.4)
1987-88	3.10 & 4.2	2	20 th & 24 th	Health & Family Welfare (3.10) and Public Works (4.2)
1988-89	3.9 & 3.17	2	25 th & 27 th	Community & Rural Development (C&RD) (3.9) and Home (Police) (3.17)
1989-90	3.5 , 3.6, 3.7, 4.1, 5.4 & 7.4	6	20 th , 24 th & 25 th	Health & Family Welfare (3.5 to 3.7), Public Works (4.1 & 5.4) and C&RD (7.4)
1990-91	3.3, 3.4, 3.6, 5.1 & 5.2	5	-Do-	C&RD (3.3 & 3.4), Forest & Environment (3.6) and Public Works (5.1 & 5.2)
1991-92	3.6	1	27 th	Home (Police) (3.6)
1993-94	4.1	1	21 st	Public Works (4.1)
1994-95	3.5, 4.3 & 7.2	3	24 th , 28 th & 29 th	Food & Civil Supplies (3.5), Public Works (4.3) and Urban Affairs (7.2)
1995-96	3.2	1	31 st	C&RD (3.2)
1996-97	3.22, 4.1 & 4.14	3	33 rd	Secretariat Administration/Legislative Assembly/Home (Police) (3.22), Agriculture (4.1) and Agriculture/Public Health Engineering/Public Works (4.14)
1997-98	3.13, 4.2, 4.3, 4.4, 5.1 & 7.5	6	33 rd	Revenue (3.13), Public Works (4.2), Public Health Engineering (4.3, 4.4 & 5.1) and Urban Affairs (7.5)
	Total ·	47	11	

APPENDIX XXXI

Year-wise position of outstanding Inspection Reports and Paragraphs issued up to December 2003 and their position as on 30 June 2004

(Reference: Paragraph 5.1.9; Page 73)

(Rupees in crore)

Year	Sales T	'ax Depa	rtment	State Excise Department				Vehicles T epartmen			ther Tax epartme	*	Forest and Environment Department		
	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value
Up to 1990-95	3	6.	0.14	6	8	0.24				8	10	0.09	7	24	1.38
1995-96	1	1.	0.06		**************************************	The Market Till Hope				100 mg	1 / <u>1</u> / 1 / 1		3	9	0.48
1996-97	2	9	0.03	4	14	2.31		1.		in S	4	0.63	\(\frac{1}{2}\)		
1997-98	2	3.	0.84	2	7	0.19				4	13	1.49	3	3	1.25
1998-99	2	5	0.01	5	24	4.07	1	1	0.05	5	9	0.03	4	9	0.46
1999-2000	3	19	2.43	_ 2	7	0.04	4	9	0.41	7	9 _	1.32	3	11	1.39
2000-01	2	24	2.26	3	14	1.96				8	15	19.21	5	10	2.13
2001-02	4	20	1.38	2	9	5.98	3	5	0.25	4	8	0.72	2	4	0.17
2002-03	5	54	21.16	6	48	28.84	5.	18	76.57	9	15	3.90	5	20	5.91
2003-04		21	13.27	6	48	3.83	4	24	328.38	4	18	17.14	3.	19	4.44
Total	29	162	41.58	36	179	47.46	18	58	405.66	50	101	44.53	35	109	17.61

(Figures in Columns 3(a) to 4(f) are Rupees in lakh)

SI. No:	Sector and Name of the Company/Corporation	Paid	Equity/Loans received out of Budget during 2003-04		Other. loans received during				Debt equity ratio for 2003-04 (figure in				
		State Govern- ment	Central Govern- ment	Holding Company	Others	Total	Equity	Loans	the year	Govern- ment	Others	Total	brackets indicates for previous year) 4(f)/3(e)
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
A. W	ORKING GOVERNMENT	COMPANII	ES		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							- T.	
	Sector : CEMENT	n		in the				14. 4			Recorded to the second	in the second	
	Mawmluh – Cherra Cements Limited	# 1972.85	238.00	g to with the second of the se	10.00	# 2220.85		The state of the s					0:1
	Total of the Sector	1972.85	238.00	2	10.00	2220.85		-	4.7	-	-	-	0:1 (0:1)
	Sector: INDUSTRIAL D	EVELOPM	ENT AND	FINANCING							· · · · · · · · · · · · · · · · · · ·		
2.	Meghalaya Industrial Development Corporation Limited	7163.41			B 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	7163.41	900.00		300.00	A POTENTIAL	1261.76	1261.76	0.18:1 (0.21:1)
	Total of the Sector	7163.41	-	-	-	7163.41	900.00	-	300.00	-	1261.76	1261.76	0.18:1 (0.21:1)
,	Sector: HANDLOOM A	ND HAND	ICRAFTS] 1		· * · · ·	<u>, f</u> v		,	1	<u>ं.</u> किं	
3.	Meghalaya Handloom and Handicrafts Development Corporation Limited (Subsidiary)	156.99	10.00	4.93	0.07	171.99	15.00	÷ -	5.68	<u>-</u>	5.68	5.68	0:03:1 (0:1)
4	Total of the Sector	156.99	10.00	4.93	0.07	171.99	15.00	1	5.68	-	5.68	5.68	0.03:1 (0:1)

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
	Sector: WATCH ASSEMBL								1 - Julius X - J.			1	• •
4.	Meghalaya Watches Limited(Subsidiary)	-	•	35.98	-	35.98	-	-	31.33	· •	374.78	374.78	10.41:1 (12.15:1)
	Total of the Sector	2	2	35.98	-	35.98	-	-	31.33	-	374.78	374.78	10.41:1 (12.15:1)
	Sector: BAMBOO PRODUC	CTS	•	·									
5.	Meghalaya Bamboo Chips Limited (Subsidiary)	-	-	47.75	0.25	48.00	-	-	50.50	-	581.97	581.97	12.12:1 (11.07:1)
	Total of the Sector	≜ ico m		47.75	0.25	48.00	ood a		50.50	_ ur .u	581.97	581.97	12.12:1 (11.07:1)
	Sector : ELECTRONICS												
6.	Meghalaya Electronics Development Corporation Limited(Subsidiary)	-	<u>-</u>	471.70	-	471.70	-	-	64.25	-	1119.71	1119.71	2.37:1 (2.24:1)
	Total of the Sector	•		471.70		471.70	•	-	64.25		1119.71	1119.71	2.37:1 (2.24:1)
	Sector : FOREST												
7.	Forest Development Corporation of Meghalaya Limited	202.18	20.00	-	-	222.18	-	<u>-</u>	-	-	-	-	0:1 (0:1)
Addition	Total of the Sector	202.18	20.00	our many	i filmania	222.18	-19-mm/cg. 7	-	•	Managar 190	-	011 0 1	0:1 (0:1)
	Sector : TOURISM									4,,			
8.	Meghalaya Tourism Development Corporation Limited	796.46	-	-	-	796.46	-	-	-	254.88 ^{\$}	0.75	255.63 ^{\$}	0.32:1 (0.32:1)
11 - 12 - 13 - 13 - 13 - 13 - 13 - 13 -	Total of the Sector	796.46	3 9 9 16	•	Ali may	796.46	1	•	-	254.88 ^{\$}	0.75	255. 63 [§]	0:32:1 (0.32:1)
	Sector: CONSTRUCTION												
9.	Meghalaya Government Construction Corporation Limited	75.00	<u>-</u>	. -	-	75.00	<u>-</u> .	-	30	-	30	30	0.4:1 (0:1)
	Total of the Sector	75.00	1	•	-	75.00	•	1	30	7.1	30	30	0.4:1 (0:1)
	Sector : MINING											•	
10.	Meghalaya Mineral Development Corporation Limited	232.20	-	• ,	-	232.20	-		-		225.68	225.68	0.97:1 (0.47:1)
	Total of the Sector	232.20	-	•	·	232.20	7		-	-	225.68	225.68	0.97:1 (0.47:1)
	Tötal (A)	10599.09	268.00	560.36	10.32	11437.77	915.00		481.76	254.88	3600.33	3855.21	0.34:1 (0.35:1)

D1 80 - 380 to	A Lorentze - Marie Carlo	Dec des Lavores video en	Technology and a service	Driver_is.azzzzaci	riveries sone	Estrockies 2000 remonstrati	President of the Court of	LOSSECTIONS	real and a second second second	Promotivana, proposition	Tage consider the comments	Enterior source and source	Descending and Constitution
1.1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
B. W	ORKING STATUTORY (CORPORAT	FIONS	n endermontes	to finalist for the	man man i serent dikamentan	eyana en ayî e dî sepe	. The second of the second	Team Parker	er affilms) er ent i=,i	and the second	Parameter Specifical	gradus Graff
1.	Sector: POWER	1 1		, ' , , , , , , , , , , , , , , , , , ,	B		*		2 - 2 - 2 - 4 - 2				
1.77	Meghalaya State Electricity Board			· (- ()				4873.00	7560.00	11,658.00	24,005.00 ***	35,663.00	1:0 (1:0)
	Total of the Sector	-	-7	2	-	•	1	.4873.00	7560.00	11,658.00	24,005.00	35,663.00	1:0 (1:0)
	Sector: TRANSPORT	r i i i i			1944		7 7 10 10	tartita.					1 2 to 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
2.	Meghalaya Transport Corporation	3186.00	681.00		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3867.00	200.00	_	•	1702.00	# 1	1702.00	0.44:1 (0.46:1)
	Total of the Sector	3186.00	681.00	ales and 🕶 (E)		3867.00	200.00		•	1702.00	us terrorado por	1702.00	0.44:1 (0.46:1)
42	Sector: WAREHOUS	ING	September 1	· * 5,73		The state of the s				ada ga 1877,			
3. ą	Meghalaya State Ware- housing Corporation	116.56	116.56			233.12		The state of the s					0:1 (0:1)
	Total of the Sector	116.56	116.56	-	-	233.12	-	-	-	-	-	7	0;1 (0:1)
	Tôtal (B)	3302.56	797.56	-		4100.12	200.00	4873.00	7560.00	13360.00	24005.00	37365.00	9.11;1 (13.37:1)
	Grand Total (A+B)	13901.65	1065.56	560.36	10.32	15537.89	1115.00	4873.00	8041.76	13614.88	27605.33	41220.21	2.65:1 (3.15:1)

Note:

- Includes redeemable preference share of Rs.248 lakh.

 Represents cost of assets of pinewood hotels transferred to the Company by Government and treated as loan (Rs.84.88 lakh by Government of Meghalaya and Rs.0.75 lakh by Government of Assam).

 All figures are provisional as given by the Companies/Corporations.

 Loans outstanding at the close of 2002-03 represents long term loans only.

 Includes bonds, debentures, inter-corporate deposits.

APPENDIX XXXIII

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Reference: Paragraphs 6.1.7, 6.1.8, 6.1.10, 6.1.11, 6.1.12, 6.1.14 & 6.1.22; Pages 108, 109, 110, 111 & 114)

(Figures in columns 7 to 12 are Rupees in lakh)

	774	read the second of the second		4			8				7 %		1. 1	-	
SL No.	Sector and name of the Company/ Corporation	Name of Depart- ment	Date of incorpora-tion	Period of accounts	Year in Which accoun- ts fina- lised	Net Profit (+) / Loss (-)	Net impact of Audit comments	Paid-up capital	Accumu- d lated Profit (+)/ Loss (-)	Capital emplo- yed*	Total return on capital em- ployed	Percentage of return on capital employed	Arrears of accounts in terms of years	Turn- over	Man- power (No. of Em- plo- yees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	A. WOR	KING GO	VERNME	ENT COM	PANIES	the second second		<u> </u>	1844 183					<u> </u>	· · · · · · · ·
	Sector: C	EMENT				· ;						1			
1.	Mawmluh- Cherra Cements Limited	Industries	20 May 1995	2003-04	2004-05	(+) 257.42		2220.85	(+) 1124.96	3410.68	(+) 258.48	7.58		3062.76	703
	Total of the Sector			7440.7		(+) 257.42	najarat reconductation	2220.85	(+) 1124.96	3410.68	(+) 258.48	7.58	-	3062.76	. 703
	Sector: I	NDUSTRI	AL DEVE	CLOPMEN	IT AND F	INANCINO								**	
4	Meghalaya Industrial						Understatement of net profit by Rs.4.08 lakh. Accumulated								
1	Development Corporation Limited	Industries	06 April 1971	1998-99	2003-04	(+) 1.22	Rs.33.26 lakh would turn into accumulated loss amounting to Rs.450.92	3240.41	(+) 33.26	4257.26	(+) 145.05	3.41	.5	301.51	102
	Total of the Sector					(+) 1.22	lakh.	3240.41	(+) 33.26	4257.26	(+) 145.05	3.41	5	301.51	102
	Sector: H	IANDLOO	M AND	HANDICR	AFTS				\$, i	
	Meghalaya Handloom and Handicrafts		10 Janu-	No. of the last		() 10 00		102.00	0.110.65	174	() 12 ((21.00	
3.	Development Corporation Limited	Industries	ary 1979	1997-98	2004-05	(-) 12.99		103.99	(-) 112.65	4.74	(-) 12.66		6	21.90	13
	Total of the Sector					(-) 12.99	-	103.99	(-) 112.65	4.74	(-) 12.66		6	21.90	13

(-)	* .	ATCH AS	SEMBLING		(6)	L (7)	(0)		(10)	(11)	(12)	<u> </u>	((13)	(10)
4.	Meghalaya Watches Limited	Industries	07 August 1979	2002-03	2003-04	(-) 90.91		35.98	(-) 760.26	31.80	(-) 29.97	_	1	2.18	87
	Total of the Sector			•		(-) 90.91	-	35.98	(-)760.26	31.80	(-) 29.97	-	1	2.18	87
	Sector: BA	MBOO P	RODUCTS					,	A STATE OF THE STA				· · ·		
5.	Meghalaya Bamboo Chips Limited	Industries	14 Sep- tember 1979	2000-01	2003-04	(-) 85.04	_	48.00	(-) 802.90	61.23	(-) 21.98	-	3	12.34	93
	Total of the Sector					(-) 85.04	-	48.00	(-) 802.90	61.23	(-) 21.98	-	3	12.34	93
111111111111111111111111111111111111111	Sector: EL	ECTRON	ICS.			<u> </u>	1				Same Same	1	<u> </u>		
	Meghalaya			<u> </u>								<u> </u>			
6.	Electronics Development Corporation Limited	Industries	25 March 1986	1995-96	2004-05	(-) 168.10	-	471.70	(-) 1235.47	240.16	(-) 72.44	7.	8	18.70	61
	Total of the Sector					(-) 168.10	-	471.70	(-) 1235.47	240.16	(-) 72.44	-	8	18.70	61
	Sector: F	OREST	,											v. *	,
7.	Forest Development Corporation of Meghalaya Limited	Forest	30 January 1975	1996-97	2003-04	(-) 24.30	н ,	172.19	(-) 83.97	141.14	(-) 24.30		7 *	142,35	193
	Total of the Sector					(-) 24.30	-	172.19	(-) 83.97	141.14	(-) 24.30	-	7	142.35	193
	Sector: TC	DURISM	1	,	<u> </u>						, , , , , , , , , , , , , , , , , , , 		, .		
8.	Meghalaya Tourism Development Corporation Limited	Tourism	25 January 1977	1989-90	2004-05	(-) 34.90	Net Loss under- stated by Rs.14.20 lakh	252.95	(-) 128.13	498.49	(-) 18.06		14	149.97	148
	Total of the Sector					(-) 34.90		252.95	(-) 128.13	498.49	(-) 18.06	-	14	149.97	148
	Sector: CC	DNSTRUC	TION		7 - T	A STATE OF			\$ 1 T	· · · · ·	· , ,	<u> </u>			
9.	Meghalaya Government Construction Corporation Limited	Public Works	26 March 1979	2001-02	2003-04	(-) 137.43		50.00	(-) 570-33	(-) 777.70	(-) 137.43		2	844.00	42
	Total of the Sector					(-) 137.43	-	50.00	(-) 570.33	(-) 777.70	(-) 137.43	-	2	844.00	42

'	<u> </u>	<u> </u>		5.5, 7					and September 1					5. 2 <u>e ''</u>	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Sector : M	IINING	<u> </u>	<u>. 1888 - 1</u>	<u> </u>	<u>ja jakan kacamatan ka</u>			<u> </u>				100		2 4 2
10.	Meghalaya Mineral Development Corporation Limited	Mining & Geology	31 March 1981	2002-03	2004-05	(-) 97.18		232,40	(-) 328.84	336.68	(-) 23.99		1	NIL	26
	Total of the Sector	0.00				(-) 97.18	-	232.40	(-) 328.84	336.68	(-) 23.99	-	1	NIL	26
5.00	Total A		78-46C	1,21,21,21	ZXX X	(-) 392.21	-	6828.47	(-) 2864.33	8204.48	62.70	0.76		4555.71	1468
		ING STAT	UTORY C	ORPORA'	TIONS				eri je	17 1 17	<u>er eta eta eta eta eta eta eta eta eta eta</u>			<u> </u>	4. 1
	Sector: Po	OWER .	· . ' ' · .	<u> </u>		August 1	4.1	r figur		18 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<u></u>			71-	e 1
1.	Meghalaya State Electricity Board	Power & Electricity	21 Janu- ary 1975	2003-04 ^(a)	2004-05	(-) 1831.04	SAR is under process of finalisation		(-) 27072:97	33719.45	(+) 1188.23	3.52		15865.35	3668
	Total of the Sector					(-) 1831.04		1	(-) 27072.97	33719.45	(+) 1188.23	3.52		15865.35	3668
A ,	Sector : Tl	RANSPORT	C	रेगी, बहुत, कार्य	1938 B	Janes Color	25.4		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 2 - 3 P. S. A. A.		J. 18	1.		3.4
2.	Meghalaya Transport Corporation	Transport	01 Octo- ber 1976	1997-98	2002-03	(-) 529.69	Net loss overstated by Rs.1.42 crore	4182.40	(-) 4080.88	97.23	(-) 529.69		6.	644.73	881
	Total of the Sector					(-) 529.69		4182.40	(-) 4080.88	97.23	(-) 529.69	-	6	644:73	881
	Sector:WA	REHOUSI	NG	1. 2. 2.	1000		42 4 4 4 4			a. 编码 [18][15]。.	etaja (A 1	
3.	Meghalaya State Warehousing	Co-opera- tion	March 1973	2002-03	2004-05	(+) 5.07	Net Profit overstated by Rs.2.61 lakh	233:12	(+) 11.01	248.42	(+) 5.07	2.04	1	17.07	14:
	Total of the Sector					(+) 5.07		233.12	(+) 11.01	248.42	(+) 5.07	2.04	1	17.07	14
	Total 'B'	at a grant of the second	\$ 200 \		\$ (\$1550.)	(-) 2355.66		4415.52	(-) 31142.84	34065.10	663.61	1.95	2.5	16527.15	4563
	Grand Total (A+B)					(-) 2747.87	1	11243.99	(-) 34007.17	42269.58	726.31	1.72	-	21082.86	6031

^{*} Capital employed represents Net Fixed Assets (including capital works in progress) plus working capital except in case of Meghalaya Industrial Development Corporation Limited, where the capital employed is worked out as a mean of aggregate of opening and closing balances of paid-up capital, free reserves and borrowings (including refinance).

⁽a) Provisional figures.

(Figures in Columns 3(a) to 4(e) are Rupees in lakh)

		@ Subsid	y/grant recei	ved during	the year	Guarantees i	eceived during	the year and outs	tanding at the end of	f the
SI. No.	Name of the Public Sector Undertaking	Central Govern- ment	State Govern- ment	Others	Total	Cash credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contractors	Total
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)
A-C	GOVERNMENT COMPAI	NIES								
1.	Mawmluh-Cherra			2 44.						
	Cements Limited	10.55								= 10.
2.	Meghalaya Industrial Development Corporation Limited									
.3.	Meghalaya Handloom and Handicrafts Development									
	Corporation Limited(Subsidiary)									
4.	Meghalaya Watches Limited(Subsidiary)									
5.	Meghalaya Bamboo Chips Limited (Subsidiary)									
6.	Meghalaya Electronics Development Corporation Limited(Subsidiary)	•								

1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)
7.	Forest Development Corporation of Meghalaya Limited	<u>-</u>	- .	_	-	-	<u>-</u>	. .		-
8.	Meghalaya Tourism Development Corporation Limited	-	32.02(G)	•	32.02 (G)	•	-	9	-	-
9.	Meghalaya Government 'Construction Corporation Limited	-	-	•	-	•	-		-	-
10.	Meghalaya Mineral Development Corporation Limited		22.50(G)	•	22.50(G)	-	(138.00)	 	- -	(138.00)
	Total – A	-	54.52	-	54.52	•	- (138.00)	-	-	(138.00)
$\mathbf{B} - \mathbf{S}$	STATUTORY CORPORAT	IONS	*							#
1.	Meghalaya State Electricity Board	: -	1035.00 (S)	•	1035.00		20674.00 (24664.00)	-	•	20674.00 (24664.00)
2.	Meghalaya Transport Corporation	-	280.00 (S)	•	280.00	. -	- -	-	-	<u>-</u>
3.	Meghalaya State Warehousing Corporation	-	-	-	-	-	_	-		-
	Total – B	_	1315.00	,	1315.00	-	20674.00 (24664.00)	•	•	20674.00 (24664.00)
	GRAND TOTAL (A+B)		1369.52	9	1369.52	1	20674.00 (24802.00)	-	1	20674.00 (24802.00)

[@] Subsidy includes subsidy receivable at the end of the year which is shown in brackets.
** Figures in bracket indicate guarantees (principal) outstanding at the end of the year.
(S) Subsidy and (G) Grants.

APPENDIX XXXV

Statement showing financial position of working Statutory corporations (Reference: Paragraph 6.1.8; Page 109)

	(Rupees in cro				
Sl. No.		Particulars	2001-02	2002-03	2003-04 (Provisional)
(1)		(2)	(3)	(4)	(5)
1.	Meghalaya S	State Electricity Board			
	A. Liabilities				
	(a) Loans from	Government	201.13	243.20	115.63
		term loans (including bonds)	516.40	636.03	548.12
	(c) Reserves as		0.78	0.78	0.78
		pilities and Provisions	125.86	158.28	377.14
		Total – A	844.17	1038.29	1041.67
12-14-14 M 4-14-15-W	B. Assets				
1;	(a) Gross fixed	lassets	349.47	469.08	484.61
1:	Less: Depr		162.84	187.81	208.60
1	Net fixed a		186.63	281.27	276.01
		rks-in-progress	56.00	36.17	70.07
	(c) Deferred C		9.90	10.56	11.70
	(d) Current ass	and the second s	271.02	312.44	368.25
ļ	(e) Investment		16.99	53.01	44.91
1. T.		ous Expenditure	_	_	_
1	(g) Accumulate		303.63	344.84	270.73
1,000	(8)	Total – B	844.17	1038.29	1041.67
	C. Capital emp		387.79	471.60	337.19
2.		Transport Corporation	1995-96	1996-97	1997-98
,	A. Liabilities		1		237730
		cluding Capital loan] -		
Y .	and equity		38.80	40.24	41.82
	(b) Reserves as		_	0.10	0.11
	(c) Borrowings		•	1	
1	Governmen	· · · · · · · · · · · · · · · · · · ·	_	_	. <u>.</u>
	Others	•	_		. <u>-</u>
· .	,	luding depreciation	_	·	
	fund)	denie depresention	·		_
		and other current	·		
is.		ncluding provisions)	3.50	5.25	6.82
	220111105(1)	Total – A	42.30	45.59	48.75
	B. Assets	1001	V.Z., 50	, TOO)	40.75
	(a) Gross Bloc	k	13.25	14.08	13.43
<u> </u>	Less: Depr	eciation	7.84	8.98	9.25
1	Net fixed a	ssets	5.41	5.10	4.18
		rks-in-progress (including			
<u>}</u>	cost of Cha		1.02	0.02	- 0.15
{	(c) Investment	s ets, loans and advances	1.93 4.91	0.03 4.94	0.15 3.61
	(d) Current ass (e) Deferred co		4.31	+: +.7 4 -	3.01
	(f) Accumulate		30.05	35.52	40.81
57.34F.V.E	**************************************	Total – B	42.30	45.59	48.75
	C. Capital empl		6.82	(-) 4.79	0.97
L	Co Cupatua Campa		J 0.02	1 1 3017	0.71

⁽c) Capital employed represents net fixed assets (including capital work-in-progress) plus working capital. While working out capital employed, the element of deferred cost and investment are excluded from current assets.

(1)	(2)	(3)	(4)	(5)
3.	Meghalaya State Warehousing Corporation	2000-01	2001-02	2002-03
	A. Liabilities			
-	(a) Paid-up Capital	2.33	2.33	2.33
	(b) Reserves and Surplus	0.23	0.31	0.30
	(c) Borrowings:	1		
	Government	_	-	Í, -
4	Others	-	-	_
	(d) Trade dues and other current		`	
	liabilities (including provision)	0.01	0.03	0.02
	. Total – A	2.57	2.67	2.65
	B. Assets			
. :	(a) Gross Block	1.42	1.46	1.49
:·	Less: Depreciation	0.30	0.31	0.33
	Net fixed assets	1.12	1.15	1.16
	(b) Capital works-in-progress	-	-	*.
•	(c) Investments	0.14	0.13	0.15
	(d) Current assets, loans and advances	1.31	1.39	1:34
	(e) Accumulated losses		2.67	
	Total-B	2.57	2.67	2.65
	C - Capital employed @	2.41	2.51	2.48

[©] Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

APPENDIX XXXVI

Statement showing working results of Statutory corporations

(Reference: Paragraph 6.1.8; Page 109)

1. Meghalaya State Electricity Board

(Rupees in crore)

SI: No.	Particulars	2001-02	2002-03	2003-04 (Provisional)
(1)	(2)	(3)	(4)	(5)
1.	(a) Revenue receipts	95.10	124.35	158.65
	(b) Subsidy/Sub-vention from Government	11.00	10.80	10.35
6 .	(c) Other income	23.82	38.11	38.55
	Total	129.92	173.26	207.55
2.	Revenue expenditure (net of expenses			
	capitalised including write off of intangible	94.10	129 . 42.	175.09
	assets but excluding depreciation and interest)	e e		:
3.	Gross surplus(+)/ deficit(-) for the year (1-2)	35.82	43.84	32.46
4.	Adjustments relating to previous years	1.88	(-) 16.64	92.42
5.	Final gross surplus (+)/deficit (-) for the year	37.70	27.20	124.88
	(3+4)			•
6.	Appropriations:		, , , , , , , , ,	4
1.	(a) Depreciation (less capitalised)	15.49	16.69	20.58
	(b) Interest on Government loans	20.14	23.11	19.40
	(c) Interest on other loans, bonds,			
	advance, etc. and finance charges	26.83	29.91	20.50
	(d) Total interest on loans and finance	100		
	charges (b+c)	46.97	53.02	39.90
	(e) Less: interest capitalised	1.70	1.31	9.71
	(f) Net interest charged to revenue (d-e)	45.27	51.71	30.19
	(g) Total appropriation (a+f)	60.76	68.40	50.77
7.	Surplus(+)/ deficit(-) before accounting for			
	subsidy from State Government {5-6(g)-1(b)}	(-) 34.06	(-) 52.00	(+) 63.76
8.	Net surplus (+)/ deficit(-){5-6(g)}	(-) 23.06	(-) 41.20	(+) 74.11
9.	Total return on capital employed@	22.21	10.51	104.30
10.	Percentage of return on capital employed	5.72	2.22	30.93
				·-

Total return on Capital employed represents the net surplus/deficit plus total interest charged to Profit and Loss Account (less interest capitalised).

2. Meghalaya Transport Corporation

Sl. No.	Particulars	1995-96	1996-97	1997-98
1.	Operating:			10 M 10 M
ا ا	(a) Revenue	6.26	6.11	6.13
	(b) Expenditure	9.64	10.73	10.79
	(c) Surplus(+)/deficit(-)	(-) 3.38	(-) 4.62	(-) 4.66
2.	Non-operating	3	C + 1 - 1	
1.0	(a) Revenue	0.31	0.19	0.32
4.5	(b) Expenditure		<u>-</u>	v 3 5a= 11
1	(c) Surplus(+)/deficit(-)	(+) 0.31	(+) 0.19	(+) 0.32
	Total		1,70	
	(a) Revenue	6.57	6.30	6.45
11	(b) Expenditure	<u>9.64</u>	<u>10.73</u>	<u>10.79</u>
ļ. <u>`</u> .	(c) Surplus(+)/deficit(-)	(-) 3.07	(-) 4.43	(-) 4.34
3.	Interest on capital and loans	- Nil.	Nil	Nil
4.	Total return on capital employed [@]	(-) 3.07	(-) 4.43	(-) 4.34

3. Meghalaya State Warehousing Corporation

Sl. No	Particulars	2000-01	2001-02	2002-03
1.	Income:			
	(a) Warehousing charges	0.17	0.16	0.17
	(b) Other income	<u>0.13</u>	<u>0.19</u>	<u>0.08</u>
	Total – 1	0.30	0.35	0.25
2.	Expenses:	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
]	(a) Establishment charges	0.17	0.17	0.17
	(b) Other Expenses	<u>0.03</u>	<u>0.07</u>	<u>0.03</u>
	Total – 2	0.20	0.24	0.20
3.	Profit (+)/ Loss(-) before tax	(+) 0.10	(+) 0.11	(+) 0.05
4.	Other appropriations	(-) 0.01	(-) 0.03	(-) 0.01
5.	Amount available for dividend	0.05	0.08	0.04
6.	Dividend for the year	-	0.01	0.01
7.	Total return on capital employed@	0.10	0.11	0.05
8.	Percentage of return on capital employed	4.41	4.38	2.02

Total return on Capital employed represents net surplus/deficit plus total interest charged to Profit and Loss Account.

APPENDIX XXXVII Statement showing operational performance of Statutory corporations (Reference: Paragraph 6.1.13; Page 110)

1.Meghalaya State Electricity Board

SI, No.	Particulars Particulars	2001-02	2002-03	2003-04 (Provisional)
(1)	(2)	(3)	(4)	(5)
1.	Installed Capacity:		(M W)	
	(a) Thermal			-
	(b) Hydro	185.20	185.20	185.20
	(c) Gas	<u>-</u>	-	. - ,
	(d) Others	-	-	-
(26) T	Total	185.20	185.20	185.20
	NI1	104.55	(M K W H)	125.00
2.	Normal maximum demand (inside the State) Power Generated:	184.75	135.80	135.80
3.				
	l ` '	600.00	573.50	526.97
	(b) Hydro (c) Gas	000.00	373.30	320.97
1	(d) Others			_
	Total	600.00	573.50	526.97
	Less: Auxiliary Consumption	000.00	313.30	JEU.71
	(brackets indicates percentage of Power			
, ,	Generated):			
	(a) Thermal		_	_
- '	(b) Hydro	2.40	2.27	2.17
	(c) Gas	(0.40)	(0.39)	(0.41)
	(d) Others	-	-	-
	Total	2.40	2.27	2.17
		(0.40)	(0.39)	(0.41)
4.	Net Power Generated	597.60	571.23	524.80
5	Power purchased from Central Grid	103.73	314.66	503,46
6.	Free Power from Central Sectors	48.00	66.62	51.85
7.	Total Power available for Sale (4+5+6)	749.33	952.51	1080.11
8.	Power Sold (MU):	,	,	·
	(a) Within the State	512.48	712.99	797.02
	(b) Outside the State	72.71	17.36	7.90
_	Total	585.19	730.35	804.92
9.	Transmission and distribution losses	164.14	222.16	275.19
10.	Load factor (percentage)	42.78	35.35	41.13
11.	Percentage of transmission and distribution	21.90	23.32	25.48
	losses to total power available for sale			
12.	Number of villages/towns electrified	2530	2757	3301
13.	Number of Pump sets/wells energised	65	65	25
14.	Number of Sub-stations:) NTA	276.00	202.40
	(a) 11 KV	NA NA	376.23	393.49
	(b) 33 KV	NA NA	1777.03	1828.50
	(c) 132 KV	NA NA	3668 5821.26	3666 5887.99
1723-9-0123-02		INA	3041.40	J00/1577
15.	Transmission/distribution lines (in Kms.): (a) Extra High Tension (EHT)	NA	NA	NA
	(a) Extra High Tension (EHT) (b) High Tension (HT)	NA NA	NA NA	NA NA
	(c) Low Tension (LT)	NA NA	NA NA	NA NA
	(c) Low Tension (L1)	NA NA	NA NA	NA NA
25,777,75	ININ	17A	17/3	144

(1)	(2)	(3)	(4)	(5)
16.	Connected load (in MW)	355.60	376.23	393.49
17.	Number of consumers	170594	177703	182850
18.	Number of employees	3870	3668	3666
19.	Consumer/employees ratio	44.08:1	48.45:1	49.88:1
20.	Total expenditure on staff during the year	59.15	60.75	63.30
i si siya taja	(Rupees in crore)			
21.	Percentage of expenditure on staff to total	48.89	28.33	28.03
	revenue expenditure			
22.	Unit sold(brackets indicate percentage share	(MK W H)
	to total units sold):			100 F. 1 Start
	(a) Agriculture	0.31	0.35	0.47
	(a) rigileatitate	(0.05)	(0.05)	(0.06)
 -				
	(b) Industrial	171.39	284.37	455.90
		(29.29)	(39.94)	(56.64)
	(c) Commercial	48.30	63.73	31.21
		(8.25)	(8.72)	(3.88)
		173.98	185.88	159.00
	(d) Domestic	(29.73)	(25.45)	(19.75)
			1	
	(e) Interstate	72.71	17.36	7.90
		(12.43)	(2.38)	(0.98)
	(f) Others	118.50	178.66	150.42
	(i) Others	(20.25)	(24.46)	(18.69)
		585.19	730.35	804.92
	Total	(100.00)	(100.00)	(100.00)
			(Paise per KWH)	
	(a) Revenue (excluding subsidy from			
	Government)	163	222	245
	(b) Expenditure	265	293	166
	(c) Profit (+)/Loss (-)	(-) 102	(-) 71	(+) 79
4	Table 1 (1)	That we have the	4	1.5

2. Meghalaya Transport Corporation

	그 통일으로 그렇게 바쁜 전 지수는 그는 뿐만 그는 그는 바다 장면 경우리는 그를 그렇게 걸려요.		a seye and he is	er i de la companya	- 140	S	
SI. No.	Particulars	199	5-96	1996-97		1997-98	
(1)	(2)	(3)	(4)		(5)	
1.	Average number of vehicles held	i 1	84	191		191	
2.	Average number of vehicles on road	8	31	77	A Part Land	78	
3.	Percentage of utilisation of vehicles	4	14	40	54	41	
4.	Number of employees	8	93	887	[1.2000] [1.2000]	881	A .
5.	Employee vehicle ratio	4.8	35:1	4.64:1			
6.	Number of routes operated at the end of the		7	7		7	
	year						
7.	Route Kilometres	73	324	7651	375	7592	
8.	Kilometres operated (in lakh):		167				
	(a) Gross	48	.97	46.33		43.88	
	(b) Effective	48	.43	45.80		43.34	3 1/2
	(c) Dead	0.	54	0.53	1.5	0.54	
9.	Percentage of dead Kilometres to gross	1.	.10	1.14 °	* - 1	1.23	
	Kilometres					Time the second	2 2
10.	Average Kilometres covered per bus per day	1	63	163		154	[X.]

Revenue expenditure includes depreciation but excludes interest on long term loan.

(1)	(2)	(3)	(4)	(5)
11.	Average operating revenue per Kilometre (paise)	758	866	971
12.	Average expenditure per Kilometre (paise)	1794	1958	2088
13.	Profit (+)/Loss (-) per Kilometre (paise)	(-) 1036	(-) 1092	(-) 1117
14.	Number of operating depots	8	8	6
15.	Average number of break-down per lakh Kilometres	0.09	0.09	0.08
16.	Average number of accidents per lakh Kilometres	0.02	0.20	0.21
17.	Passenger Kilometre operated (in crore)	13.73	14.23	12.49
18.	Occupancy ratio	63	69	67
19.	Kilometres obtained per litre of A - Diesel Oil B - Engine Oil	3.27 NA	3.25 NA	3.25 NA

3. Meghalaya State Warehousing Corporation

SI. No.	Particulars	2000-01	2001-02	2002-03
(1)	(2)	(3)	(4)	(5)
1.	Number of Stations covered	5	5	5
2.	Storage capacity created up to the end of the year (tonne in lakh) (a) Owned (b) Hired	0.113	0.113	0.113
	Total	0.113	0.113	0.113
3.	Average capacity utilised during the year (tonnes in lakh)	0.120	0.128	0.129
4.	Percentage of utilisation	106.63	113.27	95.183
5.	Average revenue per tonne per year (Rupees)	17.00	23.00	25.00
6.	Average expenses per tonne per year (Rupees)	20.00	27.00	30.00
7.	Profit (+)/Loss (-) per tonne (Rupees)	(-) 3.00	(-) 4.00	(-) 5.00

APPENDIX XXXVIII

Statement showing the department-wise outstanding Inspection Reports (Reference: Paragraph 6.1.23; Page 114)

Sl. No.	Name of Department	Number of Government companies/ Statutory corporations	Number of outstanding Inspection Reports	Number of outstanding paragraphs	Years from which paragraphs outstanding
1.	Industries	06	27	106	1992-93
2.	Forest	01	03	12	1993-94
3.	Tourism	01	04	25	1993-94
4.	Public Works	01	04	15	1991-92
5.	Mining and Geology	01	03	07	1995-96
6.	Power	01	41	108	1991-92
7.	Transport	01	21	87	1994-95
8.	Co-operation	01	03	05	1995-96
	Total	13	106	365	

APPENDIX XXXIX

Statement showing the department-wise draft paragraph/review replies to which are awaited

(Reference: Paragraph 6.1.23; Page 114)

Sl. No.	Name of Department	No. of Draft Paragraph	No. of Review	Period of issue
1.	Industries and Public Works	1 1		July 2004
2.	Power		1	July 2004

APPENDIX XL

Details of assessment, collection and balance of revenue

(Reference: Paragraph 6.2.9; Page 120)

(Rupees in crore)

	(Ixapecs an erone)				
SI. No.	Particulars	1999-2000	2000-01	2001-02	2002-03
1.	Arrears of revenue for sale of energy		1. 1. 1. 1. 1. 1.		
1 . 3 . 3 . 4	including electricity duty and delayed			1.00	and the second
	payment charge at the beginning of				
	the year				
	(i) within the State	19.12	18.43	19.99	27.73
	(ii) outside the State	112.48	_134.84	136.14	147.89
775	Total	131.60	153.27	156.13	175.62
2.	Revenue assessed during the year				
	(i) within the State	54.15	70.36	91.88	143.74
	(ii) outside the State	40.08	35.97	25.24	14.95
	Total	94.23	106.33	117.12	158.69
3.	Total amount due for collection				
	(i) within the State	73.27	88.79	111.87	171.47
	(ii) outside the State	152.56	170.81	161.38	162.84
	Total	225.83	259.60	273.25	334.31
4.	Revenue collected during the year				
	(i) within the State	54,84	68.80	84.14	118.60
	(ii) outside the State	17.72	34.67	13.49	8.29
	Total	72.56	103.47	97.63	126.89
5.	Arrear of revenue at the end of the				
	year				
	(i) within the State	18.43	19.99	27.73	52.87
	(ii) outside the State	134.84	136.14	147.89	154.55
	Total	153.27	156.13	175.62	207.42
6.	Percentage of collection to total				
	revenue falling due				
	(i) within the State	74.85	77.49	75.21	69.17
	(ii) outside the State	11.62	20.30	8.36	5.09
	(iii) Overall	32.13	39.86	35.73	37.96
7.	Arrear of revenue in terms of month				
	billing/assessment				
1777	(i) within the State	4.08	3.41	3.62	4.41
	(ii) outside the State	40.37	45.38	70.42	124.64
<u> </u>	(iii) Overall	19.52	17.62	17.99	15.68

APPENDIX XLI

Variations between the revised estimates and the actuals under receipt and expenditure heads during 2002-03

(Reference: Paragraph 7.1.9(iii); Page 140)

(Rupees in crore)

Sl. No.	Number and name of	Revised	Actuals	Variation					
	head of accounts	estimated		Shortfall					
	al al	provision		(Percentage)					
RECEIPTS									
1.	0039-State Excise	62.00	44.95	17.05					
				(27)					
2.	0042-Taxes on Goods and	3.72	1.63	2.09					
	Passengers			(56)					
3.	0055-Police	2.92	1.53	1.39					
				(48)					
4.	0401-Crop Husbandry	2.65	1.40	1.25					
				(47)					
5.	0853-Non-Ferrous	73.44	56.11	17.33					
	Mining and Metallurgical		10	(24)					
	Industries								
	0000	EXPENDITUR		10.17					
1.	2052-Secretariat General	31.20	18.73	12.47					
	Services	62.50	46.04	(40)					
2.	2059-Public Works	63.50	46.94	16.56					
3.	2220-Information and	4.32	2.83	(26) 1.49					
٥.	2220-Information and Publicity	4.32	2.83	(34)					
4.	2225-Welfare of	6.02	1.01	5.01					
4.	Scheduled Castes/Tribes	0.02	1.01	(83)					
	and Other Backward			(65)					
	Classes								
5.	2230-Labour and	10.40	5.00	5,40					
· · · · · ·	Employment]		(52)					
6.	2552-North Eastern Areas	10.43	0.10	10.33					
				(99)					
7.	3452-Tourism	12.17	2.17	10.00					
				(82)					
8.	4215-Capital Outlay on	86.52	50.04	36.48					
	Water Supply and			(42)					
	Sanitation	<u> </u>		<u> </u>					
9.	4217-Capital Outlay on	14.05	1.68	12.37					
	Urban Development			(88)					
10.	4552-Capital Outlay on	18.00	6.68	11.32					
	North Eastern Areas			(63)					

Source: Annual Financial Statement for the year 2003-04 and Finance Accounts for the year 2002-03-Government of Meghalaya.

APPENDIX XLII

Cases of unnecessary demand for supplementary grants

(Reference: Paragraph 7.1.9(iv); Page 140)

Sl. No.	Number and name of grant	Amount of Supplementary grant	'Amount of saving	Amount of saving surrendered during the year	
		(Rupees in crore)			
1.	10 - Taxes on Vehicles, Other Administrative Services, etc. Revenue - Voted	4.12	4.50	1.09	
2.	13 - Secretariat General Services, Secretariat Social Services, Secretariat Economic Services. Revenue - Voted	0.20	8.27	9.43	
3. 4.	 15 - Treasury and Accounts Administration Revenue - Voted 21 - Miscellaneous General Services, General 	0.81	2.25	2.24	
4.	Education, Technical Education, etc. Revenue – Voted	5.93	154.73	1.64	
5.	29 – Housing, Urban Development, Capital Outlay on Housing, etc. Capital – Voted	0.50	17.02	17.02	
6.	34 - Welfare of Scheduled Caste/Scheduled Tribe and Other Backward Classes, Social				
7.	Security and Welfare, etc. Revenue – Voted 39 – Co-operation, Capital Outlay on other	5.35	6.63	5.22	
	Agricultural Programmes, Loans for Co- operation Capital – Voted	0.30	6.40	6.33	
8.	46 – Special Programmes for Rural Development Revenue – Voted	2.72	3.81	1.01	
9.	50 - Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on				
10.	Forestry and Wildlife Revenue – Voted 51 – Housing, Nutrition, Crop Husbandry,	4.37	7.75	1.87	
19.	Special Programmes for Rural Development, etc. Revenue – Voted	0.63	1.36	2.67	